

## PLO split 'inevitable' at Amman parley

By DAVID BERNSTEIN  
Post Middle East Reporter  
and agencies

A major split in the PLO appeared all but inevitable yesterday as preparations proceeded for tomorrow's Palestine National Council (PNC) meeting in Amman, which Jordan's King Hussein intends to open with a major political speech.

The announcement that Hussein is to open the session, reported on Jordan radio yesterday, underscores the significance of the gathering as the long-delayed showdown between Palestine Liberation Organization leader Yasser Arafat and his Jordan-oriented policies on the one hand, and his Syrian-oriented opponents in the organization, on the other.

Two of Arafat's leading opponents, George Habash of the Popular Front for the Liberation of Palestine (PFLP) and Nayef Hawatmeh of the Democratic Front for the Liberation of Palestine (DFLP) have both been summoned to Moscow, apparently in a last-minute bid by the Kremlin to avert a split in the PLO.

But the chances of this appeared slight last night, with Arafat showing no sign of compromise and the likelihood of either Habash or Hawatmeh attending a meeting opened by Hussein practically nil.

Moscow is plainly concerned about the prospects of a split in the PLO, apparently realizing that Arafat — with his relative openness to Western-initiated peace moves in the region — will emerge from such a split with by far the greater measure of popular support among Palestinians and considerably greater freedom to promote his particular line.

Meanwhile, deputy PNC speaker Salim al-Za'atun, PNC spokesman Ahmed Abdul-Rahman and the PLO's representative in Saudi Arabia, Rafik al-Natsha, told Jordan television on Monday night that the PNC would meet with the required quorum.

The council, the highest decision-making body in the Palestinian movement, needs a quorum of two-thirds of its active members to meet. It has 564 members, but 180 who live in the West Bank are barred from travelling to Amman.

## 192 Poles jump cruise ship in Hamburg

HAMBURG (AP). — One hundred and ninety-two Poles jumped the cruise ship Stefan Batory during a stop in Hamburg and most requested political asylum, city officials said yesterday.

The exodus of nearly one-third of the 608 passengers was the largest reported mass defection from the Polish liner. Tourists have left the ship in West Germany, Britain and the Netherlands on previous cruises.

"Every time the ship has come, there was a small exodus. This time it was quite big. Again people voted with their feet," Manfred Sorg, spokesman for the city's Alien Office, told the Associated Press.

Sorg said 67 Poles had applied for political asylum in Hamburg by midday yesterday and 30 were waiting to submit requests at various police stations around the city.

"The others have certainly gone to other (West German) cities where they have friends," he said.

The 153-metre liner docked Monday morning in Hamburg, its first stop after leaving Gdansk on a pleasure cruise, according to a spokesman for the Hamburg Interior Ministry.

Passengers were allowed to leave the ship for sightseeing trips but were told to be back aboard by the 7 p.m. departure Monday.

When Hamburg water police discovered 192 passengers missing, the ship's departure was delayed for an hour, the spokesman said.



Defence Minister Yitzhak Rabin (centre) yesterday visits training facilities of the Ground Forces Command. He was accompanied by Aluf Dan Shomron, head of the GFC and newly-appointed deputy chief of general staff and heads of operations (right) and Chief of General Staff, Rav-Aluf Moshe Levy (second from right). (IDF photo)

## He charged IS60 too much — and must pay IS500,000

By AARON SITTNER  
Jerusalem Post Reporter

Charging IS60 too much for a package of soup noodles cost a Kiron grocer IS500,000 and a six-month suspended sentence yesterday.

Tel Aviv Magistrates Court Judge Haim Ayal, sitting in one of the seven "rapid-justice tribunals" established to hear violations of the price freeze, did not believe the grocer, who said the overcharge had been due to "a human error."

A Tel Aviv grocer who quoted

IS370 as the price of a kilo of rice, instead of the maximum IS330, was fined IS150,000 and also got a six months suspended sentence.

The same penalty was imposed by Judge Ayal on a city pharmacist who sold a can of Materna mother's milk substitute for IS2,800 instead of the maximum IS2,392.

In Haifa, Judge Hanoch Shiloni slapped fines ranging from IS20,000 to IS80,000 on 16 wholesalers and retailers who were convicted of fail-

(Continued on Back Page)

## After the freeze: Gov't weighing three courses

By AVI TEMKIN  
Post Economic Reporter

Three different economic policies are being considered in the search for the follow-up to the price freeze, Finance Minister Yitzhak Moda'i said yesterday. They are: dollarization, a large devaluation of the shekel without compensation for price increases, and prolongation of the package deal with its gradual phasing out.

Speaking to senior officials of various ministries, Moda'i said it is not yet possible to say which policy the government will choose. It will decide in the middle of next month, he said.

The minister added that dollarization would force the government to balance its budget, but it would also leave the government without the tools to influence economic developments.

Moda'i said the budget cuts, both

the \$1 billion already approved and the \$550 million now under discussion, are necessary to narrow the balance of payments deficit to a reasonable figure. He added that the cuts will also reduce purchasing power and prevent prices from exploding once the freeze ends.

Civil Service Commissioner Avraham Nathan told the officials that the plans to dismiss workers from the civil service provides the unique opportunity of getting rid of "the inefficient workers and those who make a negative contribution." No ministry should fight the proposed cuts, he said, because "we are all on the same side."

Ya'acobi vs. Katzav  
A new conflict in the cabinet developed yesterday, with Economics Minister Gad Ya'acobi demanding the resignation of Social Affairs Minister Moshe Katzav because of his criticism of the government's economic policy.  
(Continued on Page 2, Col. 6)

## 'TNT' terrorists receive six-year prison sentences

Three Jerusalem men, members of the so-called Terror Against Terror gang, were each sentenced to six years imprisonment and three years suspended in the Jerusalem District Court yesterday for sabotaging Moslem and Christian holy sites in the capital. Several persons were wounded in the attacks which were carried out in late 1983 and early 1984 using 13 boobytrapped Israeli Defence Forces hand grenades.

The three men, all from the Jerusalem neighbourhood of Ein Kerem, are Amram Deri, 26, his brother David, 23, and Uri Ben-Ayun, 24.

The three were charged with conspiring to commit a crime, illegal possession of weapons, attempting to attack a holy site and attempted murder. Their conviction followed a plea-bargaining deal with the prosecution.

In passing sentence the court noted the gravity of the crimes of which the three men were found guilty. But the three-judge panel said there were circumstances that warranted mitigating their punishment.

The court noted that the defendants did not sufficiently understand the seriousness of the offences they had committed; they had expressed regret for their actions; had stopped their sabotage attempts two weeks before their capture, and had shown police where they had hidden their weapons in Ein Kerem and Kiryat Arba.

Ben-Ayun had told the court that his participation in the attacks resulted from faulty education regarding the Palestinians and incorrect interpretation of the Torah.

He also said that prevailing public attitudes towards the Arabs, political opinions expressed by the government and the utterances of former chief of general staff Rafael Eitan, had strengthened his belief that the Arabs should be "harassed" and "intimidated."

David Deri had told the court that the three defendants had often spoken of Arab terror. Their decision to carry out the attacks, he said, was a direct result of the attack by Arab terrorists against the No. 18 bus in Jerusalem last year. (Itim)

## Israel seeks \$2b. U.S. military aid

By WOLF BLITZER  
Jerusalem Post Correspondent

WASHINGTON. — Large-scale U.S. arms sales to Saudi Arabia, Jordan and other "moderate" Arab states will inevitably necessitate additional U.S. military assistance to Israel.

This was made clear to the Reagan administration by senior Israeli officials during two days of separate economic and military talks at the State Department.

Those talks, which were opened on Monday by Secretary of State George Shultz, focused on the Israeli economic recovery programme as well as Israel's projected arms aid from the U.S. over the next five years.

Israeli officials insisted they did not submit an economic aid request

during the talks, although they confirmed that they had done so on the military front. Thus, they noted their projected military needs in the coming 1986 fiscal year budget would total around \$2.2 billion — an approximately 50 per cent increase over the 1985 level of \$1.4b. All of those funds are in the form of an outright grant.

Meanwhile, the Senate Foreign Relations Committee yesterday released a lengthy report submitted to the committee on the Israeli economy, calling for massive structural changes and budget cuts.

The report said that increased U.S. military and economic aid would be wasted unless such steps are first taken in Israel.

The report noted that increased arms supplies to the Arab states have aggravated Israel's overall defence posture, thereby leading to increased Israeli needs.

Israeli officials have privately indicated that their separate economic needs, which are expected to be submitted next month during the first formal U.S.-Israel joint economic commission, will increase from the \$1.2b. in the 1985 bill to approximately \$2b. the next year. Beyond that, they have predicted that they will formally seek \$700m.-\$800 in emergency aid in addition to

the already passed 1985 legislation. Thus, the total of combined new economic and military aid which Israel will likely seek comes to nearly a record \$5b.

Administration officials yesterday said they had made no flat commitments to their Israeli counterparts during the talks. They conceded, however, that Reagan was likely to propose aid for Israel over the 1985 level, but they expressed strong doubt that the final figures would come close to meeting the full Israeli request.

In years past, they noted, this has

(Continued on Page 3)

## Taxmen to probe Israeli firms abroad

Post Economic Reporter  
The income tax authorities will take a close look at the international activities of Israeli companies and a special body may be established for the purpose, Income Tax Commissioner Dov Neiger told reporters yesterday.

The authorities will try to prevent juggling invoices in order to evade tax payments or to smuggle foreign currency abroad.

Neiger's deputy Avraham Sarfati told reporters that the tax authorities have been engaged for a week in one of their largest campaigns against tax evaders. About 500 workers were recruited for the campaign, working in two shifts, including Saturdays, to uncover any self-employed persons who evade payment and who are not registered with the income tax authorities.  
(See related story — page 3)

## Kirkpatrick quitting

WASHINGTON (Reuters). — Jeane Kirkpatrick yesterday announced her decision to give up the post of UN ambassador and return to private life.

Kirkpatrick told reporters at the UN in New York she would remain at her post until the end of the present General Assembly session on December 18.

## Blazing inferno kills over 300 Mexicans

MEXICO CITY (Reuters). — Police said yesterday more than 300 people had died in the inferno that razed an industrial district of Mexico City before dawn on Monday, hurling concrete blocks up to 1.5 kilometres and melting metal buildings. Yesterday's reports spoke of 80 fatalities.

Hospitals and emergency treatment centres received more than 2,000 burn victims and hundreds more people poisoned as 80,000 barrels of liquid gas at one of the city's main gas distribution centres leaked and exploded.

As rescue workers searched the razed suburb of San Juanico for more bodies, survivors spoke of the horror when 100 metre-high flames engulfed the area.

Juan Viczaya told reporters he thought he had died and gone to hell when he saw a metal building melt. "Hell fires could not be hotter," he said.

Viczaya said when the fire started, "I heard a rumble and rushed out into the street but the heat struck me and I ran back inside to help my family. I tried to get my parents out of their house but it was burned to ashes."

Other survivors said birds were fried by the heat of the flames. A police sergeant said of the 264 corpses recovered by nightfall Monday: "They were fried, just fried."

The sergeant said many people had died half-naked in the street as

they tried to outrun the flames that leaped from house to house.

Entire families were incinerated in the grimy suburb and governor Alfredo del Mazo said the homes of more than 4,000 people had been destroyed.

Soldiers threw a security cordon around San Juanico and surrounding areas evacuated after the blaze in the gas distribution centre owned by the state oil company Petroleos Mexicanos (Pemex). More than 50 looters were arrested.

Pemex officials, who said the blaze started in a plant next to their own depot, said on Monday night the main fires were under control.

Thousands of firefighters, at least 150 ambulance crews and hundreds

of troops were sent to the scene in the industrial belt surrounding Mexico City.

Thousands of volunteers collected at least 70 tons of clothes and food for the victims, many of them sleeping out in near-freezing temperatures.

As the fires were brought under control and the scale of the disaster emerged, critics said it had been just a question of time before such a calamity would strike in Mexico City.

"It is not wise to store large quantities of gas or petrol near people," one diplomat said. "Safety rules have been lacking in the growth of Mexico City."

## NEWS ANALYSIS/Brutality and the police — II

### 'There's a limit to what a policeman can take'

By Robert Rosenberg

There were 1,238 complaints in 1983 about policemen using excessive force. Only 184 of these were found to be justified, according to the state attorney's offices throughout the country where the complaints were examined.

The 184 cases were acted upon. There were 52 trials in the Petah Tikva police disciplinary court, 74 cases tried by a single officer of the rank of chief superintendent or higher, and 56 cases in which the offender was either sent for retraining or given a stiff warning. Four cases resulted in what official police statistics called "corrective actions." At least one officer was dismissed from the force.

"The repeating offenders who try

to resist arrest are the most likely to be victims of police violence," said one police source. Another source explained that basically "the level of huzpa, or lack of cooperation by the suspect" determines the likelihood of violence against him.

A high-ranking police officer in the Jerusalem area explained:

"You have to remember that we too are human. Every day my men go out onto the street in their patrol cars and are told three, four, or five times a day that they are illiterate baboons, that their mothers will die, that their children are going to get raped. My men are human. There's a limit to what they can take." And the Jerusalem area is relatively clean of incidents of violence. Last year only

5 per cent of the complaints against officers turned out to be justified, far below the national average of 14.7 per cent.

There are no indications that police violence has increased substantially over the years. The number of complaints has been increasing, but the justified complaints remain about the same.

Sources at National Police Headquarters say one reason for the recent spate of reports on police violence stems from a public relations problem. The Assaf Hefetz trial opened the doors of the Petah Tikva police disciplinary court to the press, and several newspapers started posting reporters there.

"This sounds picayune, but there are some problems that arise for us because of that," said an assistant commander at National Police Headquarters, who almost daily has to handle reports from Petah Tikva.

"Many of the cases coming up now in the court are one or two years old. It's hard to get a clear picture of the situation today on the basis of what's appearing in court today."

He adds: "The police are the only institution in the country that opens its doors to the public for its internal trials. The lawyers don't, the army doesn't, the judges don't, none of them do. We do."

To explain why there is police violence — beyond the matter of

(Continued on Page 3)

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|            | 20.11.84 | MIN. | MAX. |        |
|------------|----------|------|------|--------|
| AMSTERDAM  | 4        | 3    | 8    | Cloudy |
| BRUSSELS   | 3        | 2    | 7    | Cloudy |
| BUDAPESST  | 17       | 13   | 21   | Cloudy |
| CHICAGO    | 5        | 2    | 8    | Cloudy |
| COPENHAGEN | 2        | 3    | 7    | Cloudy |
| FRANKFURT  | 3        | 2    | 7    | Cloudy |
| GENEVA     | 4        | 3    | 8    | Cloudy |
| HELSINKI   | 3        | 2    | 7    | Cloudy |
| HONG KONG  | 17       | 13   | 21   | Cloudy |
| JERUSALEM  | 13       | 10   | 16   | Clear  |
| LONDON     | 4        | 3    | 7    | Cloudy |
| MADRID     | 13       | 10   | 16   | Clear  |
| MONTREAL   | 4        | 3    | 7    | Cloudy |
| NEW YORK   | 4        | 3    | 7    | Cloudy |
| OSLO       | 3        | 2    | 7    | Cloudy |
| PARIS      | 7        | 4    | 10   | Cloudy |
| SAO PAULO  | 15       | 12   | 18   | Cloudy |
| STOCKHOLM  | 2        | 3    | 7    | Cloudy |
| TOKYO      | 17       | 13   | 21   | Cloudy |
| TORONTO    | 4        | 3    | 7    | Cloudy |
| VIENNA     | 3        | 2    | 7    | Cloudy |
| ZURICH     | 4        | 3    | 7    | Cloudy |

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## THE WEATHER

Forecast: Partly cloudy to clear.  
Yesterday's Yesterday's Today's  
Humidity Min-Max Max

|             |    |       |    |
|-------------|----|-------|----|
| Jerusalem   | 43 | 11-18 | 19 |
| Golan       | 48 | 12-20 | 21 |
| Nahariya    | 57 | 10-17 | 19 |
| Haifa Port  | 39 | 17-25 | 25 |
| Tiberias    | 37 | 13-26 | 27 |
| Nazareth    | 44 | 9-26  | 27 |
| Afula       | 40 | 11-22 | 23 |
| Sharon      | 40 | 11-22 | 23 |
| Tel Aviv    | 53 | 14-24 | 25 |
| B-G Airport | 50 | 12-26 | 27 |
| Jericho     | 39 | 13-22 | 29 |
| Caes        | 39 | 13-22 | 24 |
| Beerseba    | 28 | 9-26  | 27 |
| Eilat       | 30 | 15-29 | 30 |

## SOCIAL & PERSONAL

Finance Minister Yitzhak Moda'i yesterday addressed the Canadian Hadasah-Wizo Heritage Tour, led by their National President Cecily Peters.

German Minister of Science and Education Dorothy Welms and her party, accompanied by the director-general of the Israel Ministry of Science and Development Tamim Grizim yesterday visited the Weizmann Institute of Science as guests of its president, Prof. Michael Sela. Present at the luncheon given in her home by Prof. Sela were, among others, executive vice-president of the Weizmann Institute Dr. Josef Cohn, Prof. Ora Kedem, William Taub and Ada Zamir, and Shalvet Freier.

The British Ambassador and Mrs. C. W. Squire yesterday visited Wizo institutions in Tel Aviv and Herzliya, accompanied by World Wizo Executive chairman Michael Moda'i. Simha Landan, director of the Council for Higher Education will speak on "Higher Education in Israel" at the weekly meeting of Jerusalem Rotary Club at 1 p.m. today in the YMCA.

Prof. Binyamin Mazar and Nahman Avigad yesterday were awarded the first Jerusalem Prize in Archeology by Mayor Teddy Kolek in a ceremony held in the municipal council chamber for their distinguished work in uncovering Jerusalem's past.

## In Memoriam

A ceremony was held at the cemetery on Mount Herzl yesterday in memory of Haviva Reik, of Kibbutz Ma'anit who was executed by the Nazis 40 years ago. Reik was part of a group of parachutists dropped behind Nazi lines by the Yishuv to help Jews.

A ceremony was held yesterday at the JNF forest at Mesilat Zion, near Jerusalem, by about 200 families - the parents of soldiers who immigrated from Canada and the U.S. and fell in Israel's wars - in memory of their sons. The families are here to attend a meeting of the Association of Parents of American-Israelis.

## Mitterrand to Syria

PARIS (AP). - President Francois Mitterrand is to visit Syria November 26-28, the presidential Elysee Palace formally announced yesterday.

The three-day visit, the first by a French head of state, is in response to an invitation by President Hafez Assad.

Mitterrand has made a number of trips to the Middle East during his three-and-a-half years in office. The last such trip was to Jordan in July.

The president will be accompanied by his wife Danielle, the state-

## Abu Nidal reportedly alive in Libya

BEIRUT (Reuters). - Secretive Arab terrorist leader Abu Nidal, said by some reports to have died in Baghdad last month, had talks with

Libyan leader Muammar Gaddafi in Tripoli Monday night, the official Libyan news agency Jana said yesterday.

It said in a short dispatch monitored in Beirut: "The brother revolutionary leader (Gaddafi) last night received brother Abu Nidal, secretary-general of Fatah - the Revolutionary Council."

Abu Nidal, whose real name is Sabri al-Banna, claimed responsibility for the 1982 shooting and wounding of Israeli ambassador to London Shlomo Argov, the incident that is said to have triggered Israel's invasion of Lebanon.

He fell out with the mainstream Fatah group in 1974 and began oper-

## HOME NEWS

## Thatcher has not acted to block Arafat visit

By HYAM CORNEY

Jerusalem Post Correspondent  
LONDON. - If PLO leader Yasser Arafat comes to Britain next month, as he is seeking to do, it will be with the tacit approval of Prime Minister Margaret Thatcher.

Although a spokesman at 10 Downing Street said yesterday that the Prime Minister's Office was "not involved in any way" with the proposed visit and that it was a matter for the Foreign and Home offices to resolve, it is understood that Thatcher has been aware of Arafat's planned trip for some time and has not acted to stop it.

News of Arafat's visit has already brought a storm of protest. An Israeli Embassy statement expressed "incredulity" that Arafat might come here "at a time when Britain was attempting to enlist the co-operation of the international community in forwarding its stated aim of combating terrorism."

The Board of Deputies of British Jews said: "We cannot believe that the arch apostle of terrorism is to be

allowed to come to this country for whatever reason, particularly after the tragic events in Brighton (where an IRA bomb killed leading members of the Conservative Party) and elsewhere. We recall the strong condemnation of terrorism by the prime minister and by other British leaders and strongly urge that a visa for Arafat be refused."

George Garai, director of the British Zionist Federation told The Jerusalem Post that he saw the visit as "a danger to the improving relations between Britain and Israel."

British Labour Party member Renee Short told reporters the proposed visit "would cause a massive disruption and great offence to a large number of people."

It has just been revealed that a fortnight before he went to Israel, Foreign Secretary Sir Geoffrey Howe met London PLO representative Faisal Owaida. The meeting took place in Brighton during the Conservative Party conference. Howe addressed the (pro-Arab) Conservative Middle East Council and Owaida was in attendance.

## Strike by teachers deferred as urgent negotiations go on

By D'VORA BEN SHAUL

Jerusalem Post Reporter  
The Histadrut Teachers Union last night agreed to defer a nationwide teachers strike, which was scheduled for today, until after additional negotiations tomorrow between officials of the Finance and Education Ministries.

Representatives of the two ministries held urgent meetings yesterday, and a Treasury official said last night that every effort would be made to prevent the strike, which would cost the economy millions of shekels in lost work days for mothers who would have to stay home from work to take care of their children.

Union representatives had met on Monday with Education Minister Yitzhak Navon to protest against the government's failure to fulfill the terms of the arbitrated agreement which allowed the schools to open on time in September.

According to the teachers, the government is trying to avoid paying the increments they gained in arbitration in September, and which are to be paid in December, because the government feels payment would violate the price and wage freeze. The teachers point out that

the increments were compensation for last year's wage erosion.

The teachers are also adamant that the dismissal of 4,000 teachers would not be tolerated. The Treasury repeatedly issues statements about its intention to dismiss the teachers, while the Education Ministry says nothing has been decided.

In another development, the High Court of Justice issued an order nisi, calling on the education minister, the finance minister and the Union of Local Authorities to show cause within two weeks why teachers should not receive their salaries directly from the government into their bank accounts. The order was given at the request of two secondary school teachers, one from Kfar Yisif and one from Kiryat Shmona.

Five high schools in the Arab sector are still closed after six weeks because teachers have not received their September pay.

Meanwhile, the country's X-ray technicians are also threatening to strike because increments they were to have received this month under the terms of an agreement signed last year were not paid, reportedly because of the wage and price freeze.

## 8 Arab mayors meet Peres

By ASHER WALLFISH

Jerusalem Post Reporter  
Eight Israeli Arab mayors came out of a two-hour meeting with Prime Minister Shimon Peres and Minister without Portfolio Ezer Weizman yesterday, saying they were very pleased with the promises of increased financial aid, a more sympathetic attitude at top levels, and the possibility that the post of adviser to the prime minister on Arab affairs would be abolished.

The mayors said that in order to bring the infrastructure in Arab local authorities up to the level in Jewish localities, as much as \$8 million would be required over a period of eight years.

Peres said that for every shekel that Arab residents would raise themselves, the Treasury should, in

his opinion, contribute two shekels.

Nazareth Mayor Tawfik Zayad said no Israeli prime minister had ever hosted a gathering of Arab mayors and the meeting was a historic one. Zayad, a leading Arab Communist and an MK for the Democratic Front for Peace and Equality, said: "Our destiny as Israeli citizens was determined for us many years ago, and it is a destiny which we not only accept, but also desire."

Weizman told the mayors that in the future, Arab citizens should handle their affairs in government offices directly, without going through the prime minister's adviser.

Peres said: "My bureau is the bureau of every Israeli citizen and will always remain open to you."

## Egyptian official calls on Weizman

Jerusalem Post Reporter

Egyptian charge d'affaires Mohammed Bassiouny called on Minister without Portfolio Ezer Weizman at the Prime Minister's Office yesterday afternoon, amid speculation that their short conversation might be connected with efforts to improve relations between Israel and Egypt.

Neither Weizman nor Bassiouny would discuss the nature of their meeting.

The Jerusalem Post understands

that the conversation was informal and that Bassiouny brought no message.

Bassiouny's wife is receiving medical treatment in Jerusalem, which explains his presence in the capital.

Officials said last night that Cairo is expected to send an envoy to Jerusalem to discuss ways of improving relations soon after the Palestine National Council winds up its meeting in Amman.

## Israel is helping Haddad's daughters

By MENAHEM HOROWITZ

Jerusalem Post Reporter  
MARJAYOUN. - Two daughters of the late Major Sa'ad Haddad, founder of the South Lebanese Army, have been sent by their family to schools in France. Israel is paying for their studies and helped them leave Lebanon via Israel.

One daughter, Katy, 18, is studying linguistics. The other, Duli, 19, is

studying dentistry. Haddad's widow, Theresa, and four younger daughters remain in South Lebanon.

The Israeli Embassy in Paris is assisting the two daughters and providing for their security.

Before Haddad's death, Israel promised him it would look after his family.

## Tzur: 'Gov't must lead in aiding oppressed Jews'

By ARYEH RUBINSTEIN

Post Knesset Reporter

The government must take the initiative to get the world to act on behalf of the Jews of Syria, the Soviet Union, Ethiopia and Yemen, Absorption Minister Ya'acov Tzur told the Knesset yesterday. We must demand for them the right to live a Jewish life in their countries, to maintain contact with other Jewish communities and to immigrate to Israel, he said.

Tzur was replying to motions for the agenda.

Rabbi Menahem Hacohen (Alignment) had proposed that Israel must find a way of raising the problem of Syrian Jewry in all negotiations with Syria, direct or indirect. Geula Cohen (Tehiya) had said she did not rule out an operation by the Israel Defence Forces to rescue "the Jewish hostages" in Syria.

When Miriam Taasa-Glazer (Likud-Herut) raised the question of

the Jews of Yemen, following the publication of Amnon Kapeliuk's eyewitness report in Yedioth Aharan last Friday, Tzur broadened his canvas to include the Jews in the Soviet Union and Ethiopia as well.

Israel does not accept the version of Syrian President Hafez Assad that the Jews of Syria enjoy the full rights of citizens and are released from certain obligations, Tzur said.

Nor does it accept his view that the problem of Syrian Jewry is not the affair of France - in this connection with the World Conference on Syrian Jewry just held in Paris.

"The injustice being done to the Jews of Syria is a matter on which the international community must act," Tzur said.

Avner Sciaky (National Religious Party) said that we must make it clear to the Syrian rulers and the entire world that Israel will not rest until the persecution of Syrian Jews is ended.

Yossi Sarid (Citizens Rights Movement) said that only if Israel is more moral than dictatorial regimes and fair to its own minorities, can it help the Jews of Syria.

The motions were referred to the Aliya and Absorption Committee.

## Academic Freedom

Education Minister Yitzhak Navon said yesterday that the Technion enjoys academic freedom and that he would not intervene in its decision not to give preference to ex-soldiers among applicants for admission.

Navon was replying in the Knesset to motions for the agenda by Miriam Ta'asa-Glazer and Gershon Shafat (Tehiya).

He said the Technion's senate had rejected the recommendation of its own committee to grant discharged soldiers extra points. The senate's argument was that never before had the university given academic weight

to non-academic achievements, and that other ways should be sought to take military service into account.

Navon also expressed his concern over the weak attachment to democracy among Israel's youth.

Replying to a parliamentary question by Matityahu Peled (Progressive List for Peace), Navon said that his ministry has set up a team to recommend ways of attacking the problem, both in the schools and in teachers' colleges.

The team is expected to submit a detailed plan within two months for the approval of the ministry's pedagogical secretariat.

Peled cited a poll by Mina Zeman and Ruth Dayan for the Van Leer Institute which, he said, indicated negative attitudes towards the rights of the Jewish population and even more so, towards the rights of the Arab population in Israel and the territories.

## MKs told police playing 'cops and robbers' with black market

By MICHAEL YUDELMAN

Jerusalem Post Reporter

The police cannot eliminate the black market and are limited in their ability to enforce the law against illegal dealings in foreign currency, Police Ministry director-general Gad Aviner told the Knesset's Interior Committee yesterday.

The committee discussed the motion of Ariel Weinstein (Liberals) that the police are not treating the black market seriously and are playing "cops and robbers" when they send two policemen to stroll around places where dollars are sold illegally.

Weinstein said that as long as the bridges to Jordan are open, enabling merchants to come into Israel with foreign currency, it will be impossible to stop illegal dealings in the dollar.

He noted that the police campaign to crack down on the black

market are always publicized in advance and therefore rendered ineffective.

Aviner said that at the attorney-general's instructions, the police are taking action to stop selling of dollars in public and are watching closely the activity of large-scale changers.

He noted that since the beginning of the police campaign against the black market, 60 suspects have been arrested, 52 criminal files have been opened and \$57,000 and 1,380 Jordanian dinars have been seized by the police.

The Bank of Israel's legal adviser, Michael Herzberg, said that huge capital smuggling from the country is causing grave damages to the economy. He denied that the bank is interfering in the dollar prices or pouring dollars into the market to keep its prices down.

Committee chairman Dov Shi-

lansky decided to invite the attorney-general to the committee's next meeting to report on the government policy concerning money changers from East Jerusalem.

## Yosef's activities

The Knesset Presidium this morning will discuss an urgent motion for the agenda presented by Mapam's Yair Tzaban against Rabbi Ovadia Yosef's alleged illegal activity and the religious affairs minister's ignoring the issue.

Yosef, who is a judge (dayan) in the Rabbinical High Court of Appeals, is involved in political activity as a member of Shas's Council of Torah Sages. Judges must not be involved in political activity due to conflict of interests, Tzaban notes.

Despite the attorney-general's letter to the religious affairs minister, presently Prime Minister Shimon Peres, no move was made to stop Yosef's "intolerable conduct," Tza-

ban says. The attorney-general's letter outlined the severe implications of the involvement in both political and judiciary work.

If Tzaban's motion is accepted, the issue will be debated next week in the Knesset.

## Finances of MKs

Knesset members will have to reveal their financial statements if the proposal of Yossi Sarid (Citizens Rights Movement) and Shava Weiss (Alignment) at the Knesset's subcommittee for MK's work conditions is accepted.

They demanded that MKs make financial disclosure statements to enable public scrutiny and supervision over those members who are involved in private business in addition to their parliamentary activity.

They also suggested that MKs give up their medical benefits (free medical treatment in addition to their health fund membership).

## Sharon: Eitan made decision to send Phalangists into camps

By WALTER RUBY

Jerusalem Post Correspondent

NEW YORK. - Former Defence Minister Ariel Sharon testified yesterday in his \$50 million libel suit against Time magazine that it was chief of general staff Rafael Eitan who made the decision on September 14, 1982 to order the Phalangists into the Sabra and Shatila refugee camps. But he said that he approved the order himself the next morning because, he said, "I think it was the correct decision."

Under rigorous cross-examination by the magazine's chief attorney, Thomas Barr, Sharon (66, a minister without portfolio) said he had a different recollection of events than Eitan. Eitan has said that he and Sharon had made the decision together to send the Phalangists into the Palestinian refugee camps in Beirut.

According to Sharon: "The first I was told of the decision was at 8 a.m. on September 15, on the roof of the half-destroyed building in West

Beirut (that served as the Israel Defence Forces' forward command post).

But Sharon stated: "I approved the decision by the chief of general staff, and I would have approved it on the 14th if he had asked me then."

Responding to questioning by Barr, Sharon stated his belief that when the PLO left Beirut in late August 1982, "there were 2,000 armed terrorists left behind in West Beirut...mostly there the terrorists headquarters were - in Sabra, Shatila and Fakahani."

Barr asked Sharon why if there were as many as 2,000 heavily armed PLO fighters in the refugee camps, he and Eitan had only sent in 150 Phalangists. Sharon replied that "we did not instruct the Lebanese forces on how many people to send. I only later learned that they sent only 150. There was a war going on."

Barr asked: "Would you have really sent 150 men to fight 2,000 if you really believed there were 2,000 there?"

Sharon responded cryptically: "You could have expected that the 150 (Phalangists) would have done what they did do."

Barr then asked Sharon how he reconciled his account of "a war going on in West Beirut" with the fact that about 12 hours before the Phalangists were sent into the camps, he had called prime minister Menachem Begin and informed him that West Beirut was in Israeli hands and that "complete quiet prevailed."

Sharon replied that the words which Barr quoted from the Kahane Commission report on the massacres were "accurate but events were different."

He stated, "This was a war in a built-up area with 600,000 inhabitants (in West Beirut). In Shatila alone, there were more than 2,300 buildings with many underground tunnels."

Sharon added that, "on September 15, I also called the prime minis-

ter and told him everything was quiet. However, a short time later there was a burst of fire, with most of it coming from the refugee camps. Three soldiers were killed, and more than 100 wounded."

Barr asked Sharon why only three Phalangists were killed in the operation as opposed to hundreds of Palestinians, if in fact there were heavily armed PLO fighters in the camps.

Sharon said, "We do not know for sure that there were three (Phalangists) killed. That is the number the Phalangists gave us. We never got accurate reports."

Communications Minister Amnon Rubinstein yesterday rejected a request by Time to testify on the magazine's behalf concerning Sharon's reputation among the Israeli public.

Rubinstein said it was improper for one minister to testify against another - especially in a court in another country.

## Dec. NII child allowances to include 13% C-o-L payment

By ILAN CHAIM

Jerusalem Post Reporter

The decision to link National Institute child allowances to the cost-of-living increment came too late to help parents this month, but next month's payment will include the 13 per cent C-o-L adjustment for November, the NII announced yesterday.

The basic rate for a single-child payment in October was IS6,170, since it included a IS5-40 adjustment carried over from September.

NII child allowances are updated four times a year: in January, April, July and October. But this month, following the announcement of the record 24.3 per cent rise in the consumer price index for October, it was decided to raise the allowances by 13 per cent, in accordance with the full C-o-L increment.

However, there was not enough time to implement the decision for this month, an NII spokesman said. The index was published on the

15th and the allotments must be paid into parents' bank accounts on the 20th, as they were yesterday.

The following are the allowances for November: one child, IS5,630; two, IS11,260; three, IS12,530; four, IS14,630; five, IS16,190.

In a related matter, intense objection to the Treasury's plan to cut old age pensions was voiced yesterday by the Tel Aviv-Jaffa Labour Council, which pledged to uphold the rights of whom it called "the weakest link of the working public."

The co-chairman of the Tel Aviv Pensioners Association, Hanan Meiri and Avraham Segal, claimed that IS20 billion have accumulated in the National Insurance Institute fund, which is designed to provide immediate help for thousands of elderly and others who cannot care for themselves. But this vast sum is standing untapped, they said, calling on the government to use it for the purpose it was intended.

## FREEZE FOLLOW-UP

(Continued from Page One)

Ya'acobi said in an interview on Army Radio that Katzav should not stay in the government if he does not agree with the budget cuts agreed on by the cabinet.

Katzav had clashed at Sunday's cabinet meeting with Moda'i over the Finance Ministry's proposal to cut welfare allowances. Senior members of Herut later claimed that Prime Minister Peres did nothing to prevent the Katzav-Moda'i clash because he was interested in seeing a split between the Liberals and Herut.

Reacting almost immediately to Ya'acobi's demand, Katzav made it clear last night that he will not resign but will continue to oppose the prop-

osed cuts in his ministry's budget and in National Insurance Institute allowances.

In other package deal developments, a price freeze summary court fined a grocer half a million shekels for overcharging on noodles and trade union leaders warned that would wreck the wage-price-freeze demand for a four-per-cent wage supplement is rejected.

Elsewhere on the economic front, the authorities are planning ways of cracking down on the underground economy. One aspect of this is to check on the activities of companies doing business abroad. The Knesset Interior Committee discussed the prospects of battling the black market in currency.

## Friends and Family of

## HEN



## Committee submits plan to fight 'underground capital'

## Flat buyers would need approval of tax office

By ROY ISACOWITZ  
Jerusalem Post Reporter  
TEL AVIV. — Anyone starting a business or buying an apartment will have to be screened by the income tax authorities before receiving a permit. All self-employed and business owners will have to file an annual declaration of capital and assets, specifying acquisitions and the sources of their financing.

These are two of the recommendations of a sub-committee of the National Economic Council, charged with drawing up a plan to tackle black capital. The proposals will be discussed by the council, comprising senior Treasury, Histadrut and Manufacturers Association officials, next week.

Government and Histadrut officials expect the recommendations to be approved without much trouble. Economics Minister Gad Ya'acobi

told *The Jerusalem Post* the government is well aware of the problem of black capital — or undisclosed income — and said that he supports harsher penalties for offenders and increased "information gathering" by the tax authorities.

The sub-committee's proposals were finally formulated on Monday night, after several weeks of opposition by the manufacturers' representatives who apparently objected to several clauses regarding the enforcement of the tax laws.

According to Histadrut representative Naftali Ben-Moshe, "two or three" items remain undecided, due to the opposition of the manufacturers, and will be discussed again by the council.

The proposals do not deal with so-called "gray capital," income which is exempted from taxation by the Taxation in Conditions of Inflation Law. However, there is general recognition in the government that the law will have to be changed. Ya'acobi said that it allows large companies "virtually to escape taxation," and should be replaced by a turnover tax or some other form of direct taxation.

The recommendations can be roughly divided into three categories: increased burden on taxpayers to make more information available to tax authorities, stricter penalties for tax evaders, and widened powers for the income tax authorities. The chief obstacle to implementation is the cost of adding manpower to the tax and judicial authorities.

If the proposals are approved by the council and implemented, public bodies and corporations will be forbidden to conduct business with concerns that do not keep books. Bills of lading specifying source and destination will have to be filed for all goods transported in Israel. Agricultural produce, which is already under the supervision of the various agricultural councils, will come under the supervision of the tax authorities as well, and bills of lading will have to be filed.

Money owed to the income tax authorities will be linked daily to the consumer price index. Specialist teams will be established, consisting of representatives of all the tax bodies, to deal with specific problems. Supervision of banks — and specifically bank clerks — will be tightened.

Finally, special courts will be established to deal with tax and currency offences. Minimum sentences will be set and the option of on-the-spot fines will be offered to those charged with lesser offences.

## AACI sets up national consumer body

Jerusalem Post Reporter  
The Association of Americans and Canadians in Israel has established a national consumer committee and appointed Elaine Kopp as its chairman. *The Jerusalem Post* learned yesterday, Kopp, a former AACI national president, works and lives in the northern border town of Ma'alot.

The new committee has declared January as "consumer awareness month," during which it will sponsor events for the English-speaking public as well as its own members.

Kopp promises that the AACI consumer committee will cooperate with other local consumer groups and will try to avoid duplication of effort.

The AACI consumer committee will have sub-committees in each of its five geographic regions, some of which are already active.



Military police man a radar trap yesterday as part of a one-week campaign to enforce traffic laws in the Israel Defence Forces. In the first days of the campaign, 1,000 drivers were stopped, 300 received summonses and 24 vehicles were impounded. (Herzl Kunsari)

## Friction between Meridor, Aridor 'impeded Med-Dead canal'

By AARON SITTNER  
Jerusalem Post Reporter  
Strained personal relations between the former energy minister (Yitzhak Moda'i, now finance minister) and the former finance minister (Yoram Aridor), were behind the lack of coordination between the two government ministries on the controversial Mediterranean-Dead Sea Canal project, the present Energy Minister Moshe Shalal told a Knesset committee yesterday.

The coolness between the two men had become so marked that when the Energy Minister sponsored an operational seminar on Med-Dead and invited the Treasury to send its top men, only a few minor staff members were sent.

Faced earlier this month with a critical special report on the project by State Comptroller Yitzhak Tunik, Shalal asked State Control Committee chairman David Libai to convene a meeting so that he (Shalal) could clear the air over some of the questions raised by the comptroller.

In his report, Tunik, who attended yesterday's committee meeting, complained that lack of coordination between the two ministers over the years

was a violation of the cabinet's mandate.

In addition, Tunik found fault with the decision-making process at the Med-Dead Company, a state corporation established to plan the \$1.5 billion project. So far, the company has spent \$15m. on scores of surveys and studies, and its final feasibility report will be presented to Shalal late next month.

Shalal told the MKs that he will pass that report on to the cabinet because he does not wish to decide himself on a go-ahead for such a vast and costly venture.

If the cabinet should decide to scrap Med-Dead, he said, "my ministry will fold up the plans in an orderly fashion, put them away in a drawer, and remain prepared to re-activate the project if and when the government changes its mind."

Without being too specific about his own feelings on Med-Dead, Shalal told the committee that "it is customary that a new minister entering office should adopt an objective view of the unfinished business left behind by his predecessor and, if possible, support his projects."

On the State Comptroller's criticism about the

way decisions had been made in the planning stages, Shalal pointed out that all decisions had been based on the advice of Tahal, the national water planning authority; a sub-committee of the Med-Dead steering committee which included non-ministry experts, and foreign consultants.

What is more, since all work by the Med-Dead Company has been on planning rather than on building the canal, there had been no need for direct cabinet approval for each and every move.

Committee member Haim Ramon (Alignment) said identifying the Med-Dead project closely with Israel Bonds had violated the spirit of the partnership between Bonds and the state in that it tied bond sales to specific projects far into the future rather than to the wider aim of helping the Israeli economy by financing the state's development budget.

Another committee member, Rafael Eitan (Tehiya) said the project should be carried through "because we must have a national goal to inspire our younger generation, and besides the Mediterranean-Dead Sea Canal, nothing big has been proposed so far."

## Histadrut to help absorb Ethiopian Jews

Jerusalem Post Reporter  
The Histadrut has decided to open a coordinated campaign of its affiliates to help in the absorption of Ethiopian immigrants. This was announced during a visit of 100 Ethiopian olim to Histadrut headquarters in Tel Aviv yesterday.

Yitzhak Barkai, head of the Histadrut's absorption department, told the new immigrants that a coordinating committee would be set up comprising representatives of Na'amat, the Histadrut religious department, the Amal vocational training network, Kupat Holim Clalit and others.

The need to help the Ethiopian Jews has become more critical, he said, because many are leaving their absorption centres and are settling in apartments around the country.

## Police seek help in finding missing soldier

Jerusalem Post Reporter  
HAIFA. — Police are seeking information on a soldier who has been missing for three weeks.

David Manos, 21, was last seen after leaving his Mount Carmel base with two friends. He went with them to the soldiers' hitchhiking spot near the central bus station where he tried to get a ride to his home in Petah Tikva.

Manos was on a study course prior to being demobilized in two months. He is described as 1.7 metres tall, with brown eyes and short brown hair. Persons with information are asked to contact their local police station.

LOTTO. — In last night's Lotto draw, the following numbers won: 40, 30, 19, 9, 5 and 2. The additional number is 33.

## Geller stumps computer — and himself

By YITZHAK OKED  
Jerusalem Post Reporter  
TEL AVIV. — It was spoon-bending Israeli psychic Uri Geller against the wonders of modern technology yesterday — and Geller emerged the winner by garbling the operating system of a Colombian personal computer.

The challenge to garble the system, which was stored in a floppy disc, was issued by Avraham Mardor, general manager of Israel, a Koor Industries subsidiary.

Geller warmed up to the task by bending a spoon for the more than 30

spectators, half of them journalists. Then he slightly garbled a disc used for demonstration purposes which shows a running elephant. By sheer concentration and repetition in Hebrew of "change the content of the tape," he garbled another disc.

Then came the challenge from Mardor, who admitted he was a sceptic. Mardor explained that the system stored in the disc works for weeks non-stop without any failure.

Geller took the disc and put it on a table, looked at it, concentrated on it for about two minutes, and then put it back on the machine.

"I couldn't believe my eyes when the words 'disc failure' blinked at me," Geller's challenger stated. "I've never seen the programme state that. Everything on the disc was garbled, not erased, but garbled. The main operating filing of this programme became non-operational."

Ian Forbes of England, international manager of Columbia, plans to take the floppy disc back to England and have it checked out, in an effort to find out how Geller did it. A shocked Geller told *The Jerusalem Post* that he does not know how he did it — but do it, he did.

## AID REQUEST

(Continued from Page One)  
always been the case — Israeli officials coming in with a huge request that is eventually trimmed by the administration.

Once the administration's foreign aid programme is proposed to Congress early next year, it can be modified, upwards or downwards. Assistance to Israel traditionally has been increased during the lengthy legislative review process.

But Israeli officials said they would prefer to win a significant increase from the administration without the need to encourage its supporters on Capitol Hill to initiate further improvements.

The Washington Post yesterday reported that the administration was expected to act favourably on most of the Saudi and Jordanian arms requests, including advanced jets, tanks, air transports and various kinds of ground-to-air missiles and air-launched missiles.

Israeli officials yesterday said they

had not sought any increases in the overall structure of the Israel Defence Forces — only modernization of out-dated systems. That means, for example, replacing older Skyhawks with newer F-16s.

The two teams of Israeli officials who reviewed all these problems with the Americans were led respectively by Finance Ministry Director-General Emmanuel Sharon and Defence Ministry Director-General Menahem Meron.

Vice Prime Minister Yitzhak Shmuri is expected to continue the discussions in December when he comes to the U.S. to receive an honorary doctorate from Yeshiva University in New York. Shultz is to receive the same honour at that ceremony and the two men are expected to meet in either Washington or New York around that time to discuss substantive matters, including aid levels.

The Reagan administration must make its foreign aid proposals to Congress in January.

## Shcharansky's wife to ask U.S. to find out where he is

By JUDY SIEGEL  
Jerusalem Post Reporter  
Avital Shcharansky is to leave for Washington and New York on Sunday, in a near-desperate attempt to get U.S. officials to help obtain information about her husband, Prisoner of Zion Anatoly Shcharansky, who has reportedly "disappeared" since a move from prison to a labour camp.

A group of Soviet Jewry activists in Jerusalem told *The Jerusalem Post* that no word has been received from Shcharansky since September 5. On that day, he wrote a letter to his 77-year-old mother Ida Milgrom expressing worry about his impending transfer from Chistopol Prison, where he has served for over seven years, to a labour camp in the Ural Mountains.

He said he didn't know if he had the strength to carry his only possessions — 10 books — along with him, due to physical weakness. Shcharansky's left side has been weak and caused him considerable pain due to lack of treatment during a hunger strike in prison.

He was moved out of the prison on October 22, but when Milgrom went to see him at the camp after the transfer, there was no sign of him. She contacted the interior minister and the director of the prisons and labour camps and no one would provide any information.

The Jerusalem activists fear that Shcharansky's disappearance was ordered by top Soviet officials. He was convicted of "spying" for the

U.S. in 1978 and sentenced to 13 years in prison and labour camp.

Mrs. Shcharansky, who has made contacts with the highest levels in the U.S. government, hopes to meet with senior officials and ask them to pressure the Soviets for information on her husband's whereabouts.

In other developments, a Soviet prosecutor on Monday called for a sentence of three years in a labour camp for Prisoner of Zion Ya'acov Levin, the Public Council for Soviet Jewry here reported yesterday. Levin was arrested in August on charges of failing to confess to a crime, and is now on trial in Odessa.

In the court session Monday, two witnesses testified against Levin, one of whom said that Levin had slandered the Soviet establishment a number of times. The judge said a new investigation against Levin may be necessary, on charges of slander against the Soviet state.

Another Odessa aliyah activist, Ya'acov Mash, was arrested on October 16 on charges of refusing to cooperate with investigators and testify against Levin. Mash's wife has submitted a statement to the prosecutor saying he received the summons to testify after the date on which he was supposed to testify, the Public Council for Soviet Jewry reported.

The council also reported that Prisoner of Zion Shimon Shnirman has expressed fears that his sentence will be lengthened. Shnirman was sentenced in February of last year to three years in a labour camp.

## Olmert heads anti-alcoholism league

Jerusalem Post Reporter  
Knesset Member Ehud Olmert yesterday replaced MK Jacques Amir as head of the National League to Prevent Alcoholism in a short ceremony at the alcoholic rehabilitation hospital in Ramat Gan. Amir held the post for two years.

On the same occasion, P'nina Eldar, head of the Labour and Social Affairs Ministry's alcoholic rehabilitation programme introduced the new National Committee of Reformed Alcoholics. The committee this week will petition the health and

social affairs ministers not to let economic difficulties interfere with the continuation of the programme. They will stress the money that can be saved by rehabilitating a father, as opposed to supporting his children if he is untreated for alcoholism.

Eldar said that not only has alcoholism increased in the last few years in Israel, but the average age of the alcoholic has dropped by 10 years. The average person applying for treatment is 40 years old but has been drinking heavily for 18 to 20 years, she said.

(Continued from Page One)  
frustration on the part of generally hard-working men and women or the rogues, the policemen who didn't belong in the first place — police sociologists describe Israel as "a fractured society, in which there are few norms of behaviour common to all."

According to this view, just as Israeli society is comprised of dozens of different value systems deriving from ethnic, religious, national and cultural differences, so is the police force a mosaic of a similar society.

"A young man from the United States reacts to a policeman differently from an elderly woman from the Soviet Union, a middle-aged man from Morocco or a third-generation *sabra* brought up in one of the slum quarters of Jerusalem," said one source.

Yet another matter are attitudes

towards coercive interrogation methods, which may bring quick results, but sometimes backfire on the interrogators.

"Let me tell you a story," a veteran investigator said.

"A few years ago there was a particularly vicious gang rape. We were sure that we had the culprits. The girl gave us identification. But legally we needed something in addition to the girl's testimony. The three guys were in the lockup and having a wonderful time making fun of us and the girl."

"Two of the investigators decided that they had enough. One night they took the suspects to a Moslem graveyard far from the city. They made the ringleader kneel next to a grave and pulled out a gun. 'You'll confess, or else,' one of the investi-

## THERE'S A LIMIT

gators said. The suspect was shaking of course. But he thought he'd show off for his friends. So the investigator pulled the trigger, right next to the suspect's ear.

"Well, the suspect confessed everything. He wasn't touched, he wasn't hurt — except for his pride. He confessed and so did everybody else in the gang. They were convicted."

"Three years later, one of the rapists told the story of what happened that night in the graveyard. Once the story was known, the two investigators got thrown off the force. And the rapists went free."

Things like that are rare. But much more common are "good cop-bad cop" interrogation methods, in which one of the officers does use force or threaten to use force in order to scare the suspect into confessing to a much more gentle questioner. "Is that coercion, is that illegal, is it immoral?" asked the veteran investigator.

He then went on to describe what he called a "hypothetical situation," though from the way he said it, it was possible that such things took place.

"What if there's a suspect, an Arab, whom we believe may have planted a bomb somewhere. Do you think we'd hesitate to beat the hell out of him if we felt that that's what it would take to find that bomb?"

Said another investigator: "Usually it's a slap to a particularly nasty punk or an elbow in the gut of a particularly rotten customer." He recalled accused multiple murderer Avner Kol's remand last year before a magistrate judge in Jerusalem.

Kol was chained but that didn't prevent him from lunging and spitting in the face of the judge. Kicking out at a journalist and threatening to kill him, trying to smash his manacled arms on the head of a bystander

who happened to be in the corridor near the courtroom. To restrain him, two police officers had to use substantial force as they removed him from the scene. Later, of course, Kol's attorney complained about police brutality and indeed for two weeks, as the police took evidence from eye-witnesses, those two policemen had green files opened, as described in yesterday's Post.

The mere threat of violence often does serve the purpose. Some countries have special units of policemen, who have established reputations for being tough. Sometimes, their mere presence is enough to quiet their victims down.

In Israel, the Tel Aviv Central Unit is known for being tough — one officer in National Police Headquarters has called them "the gorilla squad" — and the Border Police once had a similar reputation. But since clashes with the Black Panthers in the mid-Seventies, some restraint has been imposed on the elite unit.

Finally, policemen in the field who witness the violence point out there is the "basic fact that we live in a society in which breaking the law — whether it's cheating on income tax, running red lights, or bullying a neighbour's own bully kid — has become more normative than obeying the law."

Said a top officer in National Police Headquarters: "When people don't respect the law they don't respect the law officer. And when he's not respected, he often finds that he has no recourse but to use force. The problem is that just as there are different ways citizens respond to a policeman, there are different policemen and not all of them always display perfect judgement."

(Tomorrow — Police Minister Haim Bar-Lev discusses Israeli society and violence by policemen.)

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## Gandhi vs. Gandhi in Indian poll

NEW DELHI (Reuters). — Indian Prime Minister Rajiv Gandhi formally filed for re-election to the Indian Parliament yesterday in a constituency where his only declared opponent is his estranged sister-in-law, Maneka Gandhi.

Gandhi filed his papers in the Amethi constituency of northern Uttar Pradesh state, where he holds the seat. Maneka Gandhi, who was married to Rajiv's late brother Sanjay, is also seeking election in the same constituency.

Thousands of other candidates

filed nomination papers yesterday as the opposition began its campaign to wrest power from the ruling Congress (I) Party of Gandhi's assassin-assisted mother Indira in national elections on December 24.

Candidates for 514 of the 544 seats in the lower house have until November 27 to file for the election. No elections are being held in the troubled states of Punjab and Assam.

Speaking after he had filed his election papers, Gandhi said Congress (I) had fulfilled most of the

promises in its last election manifesto.

The opposition Hindu right-wing Bharatiya Janata Party yesterday accused Gandhi of exploiting his mother's assassination by two Sikh bodyguards on October 31 for political purposes.

In a statement, the party said Congress (I) was whipping up hysteria over Gandhi's death to divert public attention from what it called the government's massive security failure in not preventing the assassination.

## Mengele-hunters to visit Paraguay

By WALTER RUBY  
Jerusalem Post Correspondent

NEW YORK. — A delegation of activists in the fight to bring Nazi war criminals to justice announced Monday that they will travel to Paraguay later this week in an effort to learn the whereabouts of Dr. Josef Mengele, the notorious "angel of death," who sent hundreds of thousands of Jews to their deaths in Auschwitz.

Mengele received Paraguayan citizenship in 1959, but was stripped of it by Paraguayan authorities several years ago. He is known to have lived in that South American country for many years, but has not been sighted in several years, leading some to theorize that he may have slipped out of Paraguay.

Participating in this delegation, said to be the first to travel to Paraguay in search of Mengele, will be Menachem Rosensaft, chairman of the International Network of Children of Jewish Holocaust Survivors; Beate Klarsfeld, the veteran German Nazi hunter who played a key role in the extradition of Klaus Barbie from Bolivia to France; Elizabeth Holtzman, the district attorney of Brooklyn, who has prosecuted a number of Nazi war criminals who had found a haven in the

U.S.; and Rene Valero, auxiliary bishop of the Catholic diocese of Brooklyn.

According to Rosensaft, the four will meet with Paraguay's ministers of justice and of the interior and the president of the Supreme Court during a planned four-day visit. Rosensaft said the visit could be extended if the four find important new information on the whereabouts of Mengele.

Rosensaft said that after he and other Jewish activists held demonstrations outside the Paraguayan mission to the UN in New York last May, Paraguayan officials here agreed to meet with them. After lengthy negotiations, the Paraguayans agreed to the delegation's visit to Paraguay's capital, Asuncion.

"The Paraguayan government has told us that they can neither confirm nor deny that he is in their country, but say if we can locate him, they will arrest him," Rosensaft said.

Rosensaft said he does not have any great hopes that he will find Mengele during the visit to Paraguay. "But we do hope that our visit will put more pressure on the Paraguayans to arrest and extradite him if he is still in the country," he said.

Rosensaft cited recent reports of sightings of Mengele in a remote

area near the Paraguayan-Bolivian border and said, "My guess is that Mengele is still in Paraguay. The last place he was seen was in Paraguay, and I want to follow that trail."

Rosensaft said that the delegation's visit will "at least make Mengele aware that we are trying to find him and that he cannot rest easy. If I can contribute to shortening his life by a month or even a day, because of [a heart attack caused by] fear and apprehension that he will be caught, then this visit will have been worth while."

Rosensaft added, "This is not a matter of vengeance, but of justice. A man like Mengele, who sent 400,000 Jews to their deaths in the gas chamber, including 150,000-200,000 children, cannot be allowed to live out his days in freedom and with a sense of security."

[40 Years of Despair — an article on the victims of Mengele's "research" on twins — is to appear in the magazine section this Friday.]

AIRBASES. — The Soviet Union is building airfields at two areas in western Afghanistan close to the Iranian and Pakistani borders, western diplomats said in Islamabad yesterday.

## UK pickets hurl rocks at returning miners

LONDON (AP). — Pickets hurled rocks at a police-escorted bus carrying working miners into Rostington colliery near Doncaster in northern England yesterday as the return to work in Britain's eight-month-old coal stoppage continued.

A Yorkshire county police spokesman said a window of one of the buses was broken, but no one was hurt.

Elsewhere in Yorkshire, heartland of the strike launched by the National Union of Mineworkers, police tore down a burning barricade erected by picketers outside Hatfield colliery, and 200 pickets grouped outside Manners colliery to scream abuse at union colleagues reporting for work.

On Monday, pickets threw up flaming barricades poured oil on roads and wrecked computer equipment at an industry research centre

as the National Coal Board reported 2,282 strikers returned to work around the country that day.

The coal board, a government agency, said more workers returned to work yesterday than any day since the strike in the state-owned industry began March 12 over plans to close money-losing mines. The mine closures would eliminate 20,000 jobs.

Peter Walker, Energy Secretary in Prime Minister Margaret Thatcher's conservative government, told the House of Commons Monday: "If it were not for the mobs, the violence and the intimidation, I think the majority of miners would be back at work."

But Arthur Scargill, fiery president of the miners' union, denied at a strike rally at Walsall in the Midlands Monday night that the strike is crumbling.

## 16 policemen killed in raid on Sri Lanka police station

COLOMBO (Reuters). — At least 16 policemen were killed when separatist guerrillas attacked a police station in Sri Lanka's troubled northern Jaffna district yesterday, police said.

They said the rebels, fighting for a separate minority Tamil state, came in four vehicles and attacked the police station at Chavakachcheri, about 16 kilometres from the northern capital of Jaffna.

A big explosion occurred and part of the roof of the building collapsed, they said.

Yesterday's attack caused the highest single death toll among security men. In July last year guerrillas ambushed and killed 13 major

Sinhalese soldiers sparking ethnic violence in which about 400 people, mainly Tamils, died.

Police sources said yesterday about 70 policemen were believed to have been in the police station during the attack.

Army reinforcements were rushed from Jaffna, but one unit could not reach the police station because of rebel roadblocks, police said. A second army unit got through despite road mines set off by the guerrillas, they said.

Chavakachcheri is one of the main police stations in the northern district, police said.

## Mitterrand briefed on Chad

PARIS (Reuters). — French Defence Minister Charles Hernu briefed President Francois Mitterrand yesterday on his 48-hour visit to Chad amid new criticism of France's failure to ensure Libya fulfilled an agreement to withdraw its troops from Chad.

French officials declined immediate comment on the meeting, held against a background of uncertainty over France's position since Mitterrand admitted last Friday that up to 1,000 Libyan troops were still in northern Chad.

The Libyan presence violated a joint agreement under which France and Libya had pledged to pull out their troops.

Hernu had more than three hours of talks with President Hissene Habre Monday in N'Djamena, the Chadian capital.

"What has been decided (in the Franco-Libyan agreement) will definitely have to be implemented," he said after the meeting.

Hernu refused to say whether France was about to send troops back to Chad. But Chief of Staff Jean-Louis Lacaze said several hun-

dred French soldiers stationed in the neighbouring Central African Republic could reach N'Djamena in a matter of hours.

The French press yesterday increased its attacks on Mitterrand. The left-wing daily *Le Matin*, which usually supports the Socialist administration, devoted its entire front page to Chad with the headline: "Explain yourself, Mr. President."

The paper asked why Mitterrand met Libyan leader Muammar Gaddafi last week in Crete even though the Libyan pullout was not complete.

Mitterrand refused to say whether the head given Gaddafi another deadline for a final Libyan withdrawal. But the French press, quoting informed sources, said Paris had demanded that the pullout be finished by midnight last night.

According to official figures, France has a total of 1,700 troops stationed in central Africa — 1,100 in the Central African Republic and the rest in Gabon. They are backed by Jaguar and Mirage fighter planes.

## Millions of Italians to strike today

ROME (Reuters). — Trade Union leaders said yesterday between 15 million and 18 million Italian workers are expected to take part in a four-hour general strike today which will paralyze industry and commerce.

The strike, in support of demands for a fairer taxation system, is likely to close factories, offices, schools and large shops, and bring planes, trains and buses to a standstill.

The workers say Italy's taxation system is unfair because it hits employed workers, who have income tax deducted at source, while allow-

ing evasion by self-employed traders and businessmen, who are taxed on their income declarations.

One of the country's three main union confederations, the UIL published figures yesterday claiming that on average employers paid less tax than their employees.

Today's strike is also in protest against a decision by the private employers' association, Confindustria, to pay only half the automatic cost-of-living wage increase claimed by workers on the basis of official inflation figures.

## Case of the cleaner who cleaned out a hotel

LONDON (Reuters). — A cleaner stole almost everything except the kitchen sink from a 50-room hotel where she worked, pillaging enough equipment to start a new hotel — and no one noticed.

The story of a maid with magic habits was told in court Monday when 48-year-old Maria Unsworth pleaded guilty to stealing property worth £13,000 from the Burford Bridge Hotel near Dorking, south England.

## Lesbian wins right to visit child she 'fathered'

OAKLAND, California (Reuters). — A woman who sued her lesbian lover for the right to visit a daughter they "parented" by using artificial insemination has won the right to see the child every two weeks.

In 1977 Linda Jean Loftin went through a form of marriage with Mary Flounery that was never legal-

ly recognized. According to Loftin's lawyer, Flounery was artificially inseminated with sperm donated by Loftin's brother and a daughter named Sparkle was born. The couple later separated.

Flounery, who also has two children by a heterosexual marriage, argued that visits by Loftin would disrupt Sparkle's life.

## EC deadlock unbroken in Spain entry talks

BRUSSELS (Reuters). — Spain's bid to join the Common Market in a year's time appeared blocked yesterday when European Community foreign ministers failed to break their deadlock on what terms to offer Madrid.

Diplomats said the ministers, meeting in a special session, were bogged down in disagreement over how to treat fruit and vegetable imports for the first 10 years of Spain's membership.

With less than six weeks to go to the end-of-the-year target for completing the entry negotiations, the ministers were also deeply divided

on two other vital issues — for how long after entry should they exclude the huge Spanish fishing fleet from community waters, and how to curb surplus wine production before the market is flooded with cheaper Spanish wine.

One senior negotiator described the talks as very slow and the time pressure as tremendous.

Diplomats said there appeared little likelihood of a breakthrough that would lead to community agreement on these issues before negotiations with Spain and Portugal resumed formally next week.

It now seemed unavoidable that

## NEWS IN BRIEF

### Animal activists admit hoax over poison sweets

LONDON (Reuters). — British animal-rights activists said Monday their claim to have injected hundreds of chocolate bars with rat poison, causing a nationwide scare, was a hoax.

Ronald Lee, founder of the self-styled Animal Liberation Front, said on television: "None of the Mars bars in the shops were ever injected with poison."

The Mars chocolate bars, billed as Britain's favourite sweet, were removed for tests after the group claimed at the weekend it had injected hundreds of them in five cities.

### Former Libyan embassy in UK damaged by fire

LONDON (AP). — A fire yesterday seriously damaged three floors of the former Libyan Embassy, scene of a 10-day siege last April following the killing of a London policeman during a protest against Libyan leader Muammar Gaddafi.

The blaze in the closed, padlocked 70-room mansion on St. James's Square, was extinguished after just over an hour, a London fire brigade spokesman said. No one was hurt.

The spokesman said an investigation was under way into the cause of the fire, but added: "The brigade does not consider this to be suspicious in any way."

### 93 Nato missiles are now deployed in Europe

BRUSSELS (AP). — Nato's military command yesterday revised upward to 93 its official count of U.S.-made cruise and Pershing 2 nuclear missiles now ready for use in three West European countries.

The alliance has pledged to deploy 464 cruise and 108 Pershing 2 missiles by 1988 to counter what it calls a growing and modernized arsenal of Soviet medium-range nuclear missiles aimed at the West.

The first new Nato missiles were installed last December in Britain and West Germany.

### Arson is now a major cause of Japanese fires

TOKYO (AP). — Arson replaced tobacco smoking as the leading cause of fires last year for the first time in Japan, a government report said yesterday.

The report did not give reasons for the arson cases, but a spokesman for the Fire Defence Agency said the most common reason was "resentment or a grudge, followed in order by thrill-seeking, mental derangement and plots to collect insurance money."

The report, released by the Home Affairs Ministry, said arson, including suspected arson, accounted for 13 per cent of 59,740 fires in 1983 and smoking accounted for 12.3 per cent.

### Singapore cracks down on illegal foreigners

SINGAPORE (Reuters). — The Singapore parliament yesterday passed a bill prescribing tough new penalties, including mandatory jail terms and caning, for foreigners entering illegally or overstaying for long periods.

Home Affairs Minister Chua Sian Chin told parliament the measures were necessary because foreigners had been increasingly flouting Singapore's immigration laws and committing various crimes in recent years.

### Spain alarmed over army accidents

MADRID (Reuters). — The death rate in Spain's apparently accident-prone army is causing alarm.

The casualty list has provoked a question in parliament and a series of top-level orders to units reminding commanders of the need to drive home basic safety rules.

Official figures show that in the army last year there were 91,998 accidents during active service in which 96 soldiers lost their lives. Twenty-three were killed by firearms or explosives, and another 136 were badly injured.

It is the number of men killed mishandling their own weapons and munitions — more than 90 deaths in the last four years — that has given rise to the greatest concern.

One recent order from the army general staff complained that firearms were being used as if they were simple toys.

Army officers say one of the more worrying aspects is that most firearm accidents occur in the barracks and not during exercises or training.

## Sports

### A Navon for Betar

By YARON KENAN  
The most talked about signing in Israeli football at present is that of a 10-year-old Jerusalem boy by Betar Jerusalem.

His name is what has agitated not only sports but also political antennae. Erez Navon, son of the former president and present Deputy Prime Minister Yitzhak Navon, has been coopted to the prestigious Jerusalem club's children's team.

To be eligible to join a junior side, a youngster requires the written consent of his parent and Betar officials have proudly displayed the forms showing the education minister's consent that his boy play for Betar.

Navon has himself not commented publicly on his action but his son stepped gamely to his father's side saying there were no grounds for mixing politics with sport. "Betar Jerusalem is not a political party. I love playing for them because I love the soccer there," Erez said.

Several columnists have, however, been critical of the education minister for allowing a member of his family to be so openly identified with "the opposing camp."

One of the most vociferous critics of the Likud on the political firmament CRM Knesset Member Yossi Sarid acknowledged that his son of the same age played for a Maccabi rather than a Hapoel club but that he (Sarid) was loyal to his son's club rather than remaining his traditional support for Hapoel. But he added "I would draw the line at Betar. That would be going too far."

Amatzia Lefkowitz, once a Hapoel Jerusalem coach, commented sadly after the first Likud election victory in 1977 that had the Hapoel sports organization devoted as much effort to nurturing commitment to their clubs in disadvantaged suburbs and towns as Betar did there might not have been so great a swing away from Labour on election day.

Since then Lefkowitz has himself coached Betar Tel Aviv while many professional players swap allegiances freely. In the Fifties or Sixties a transfer from a Betar to a Hapoel club or vice versa was virtually unthinkable.

But still there are those who believe it is not simply a matter of football divorced from politics. They recall how fervently two of Betar's foremost stars Uri Malmilian and Eli Ohana spoke out in the Likud's party political broadcasts before the last election. Certainly, in Mahane Yehuda market, as I dare say, in many other parts of the country support for Betar and the Likud is synonymous.

### Israel v. Rumania

By PAUL KOHN  
Post Sports Reporter  
TEL AVIV. — Israel have only beaten Rumania once before in the eight soccer matches between the two sides but the national XI is keyed up to double that win record in this afternoon's friendly international at Petah Tikva. Kick off is at 2 p.m.

Czech Yossi Mironovitch will have the luxury of being able to choose from a talented array of midfield stars since Mladen Petkov, Uri Malmilian and Nisim Cohen who were not through injury during Israel's last match (a 3-4 drubbing by Northern Ireland in Belfast) are now fully fit.

The Rumanians were due here last night. Already here is England national soccer boss Bobby Robson who wants to gain a first-hand view of the Rumanians who are in the same World Cup qualifying group as England. On arriving here Robson said he reckons that Australia will be Israel's toughest nut to crack if they are to advance to the World Cup finals themselves. He has followed both Australia and New Zealand during a recent series of matches they played in Britain. The two Oceania countries, together with Taiwan, are in Israel's qualifying section.

### Swiss first target of Israel's hoopsters

By DON GOULD  
Post Basketball Reporter  
TEL AVIV. — Undaunted by Monday night's slip up against Maccabi Tel Aviv, Israel's national basketball team flew off yesterday in good spirits to Geneva for tomorrow night's preliminary round world cup game against Switzerland.

National coach Zvi Sherf has with him a squad of 10 players: Miki Berkovits, Levi Silver and Howard Landau (all Maccabi Tel Aviv), Doron Jauchee and Amir Ben (Maccabi Ramat Gan), John Willis and Aaron Fishman (Hapoel Tel Aviv), Elisha Zlotnik (Hapoel Haifa), Ezechiel (Hapoel Holon) and Doron Shoh (Maccabi Haifa).

Although disappointed that he had earlier agreed to allow point guard Mottie Aroesti to take a breather and remain behind (Aroesti had a marvelous game for Maccabi in Monday's practice game), Sherf feels his team has the talent and composure necessary to win both tomorrow night and next Thursday when Israel entertain England in the same facet of the new competition at Yad Eliyahu.

### SCOREBOARD

CRICKET: Pakistan took only 28 minutes to wrap up the first test against New Zealand at a further demonstration of the impressive recent home form. The Pakistanis have demolished Australia and England at home in the past few years and they took a decisive step towards winning the three-Test series against the Kiwis. They returned at 153 for four, needing only 25 runs for their ninth victory over the Kiwis, and Salim Malik and Javed Miandad played crucial roles in the win. Pakistan 153, New Zealand 181-4.

SQUASH: Pakistan's Jahangir Khan, three-time world champion, won the Swiss Masters in Zurich when he defeated Australian Ross Thomas 9-0 9-3 9-2. Jahangir, unbeaten since 1981, needed only 58 minutes for victory.

Australian Dean Williams won the third place when he beat New Zealand's Stuart Davenport 1-9 9-4 9-3.

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OF ALL the aftershocks from President Reagan's landslide re-election, none troubles the reeling opposition Democrats more than a growing split between blacks and whites in U.S. politics.

Voting trends from the November 6 ballot, now being analysed by party leaders in search of new strategy, show that white flight from the Democratic ranks reached stampede levels.

Whites, who cast over 80 per cent of the votes, supported conservative Republican Reagan over liberal Democrat Walter Mondale by 63-37 per cent, according to ABC News surveys.

Blacks, stirred by the Rev. Jesse Jackson's battle cry of "our time has come," stood by the Democrats.

Mondale prevailed by 89-11 per cent among blacks, who were only 10 per cent of the electorate and who view Reagan overwhelmingly as a rich white man's president.

In the South, once a Democratic bastion, where a majority of black Americans live but where white conservatism runs strong, the split was even starker: President Reagan took 71 per cent of the white vote, Mondale 90 per cent of the black.

Asked whether all this shows U.S. politics has become racially polarized, Democratic Party chairman Charles Manatt said: "The potential is certainly there."

"I think the message on the part of our campaign did not get across to white working voters, not only in the South but in the North, as far as economic development and jobs," he said.

From the opposite racial perspective, Eddie Williams, president of a

## Bitter racial legacy of Reagan victory

By DAVID NAGY / Washington

black research group, the Joint Centre for Political Studies, commented: "This election has put into sharp relief the real racial polarization of the electorate...blacks feel isolated and besieged by the callousness if not the outright racism that has surfaced of late."

Party sources say black-white tensions will be a central dilemma as Democratic leaders begin a debate over how to reshape their party's image for the 1986 congressional and 1988 presidential elections.

"One side says we need 'new ideas' to meet changing economic realities and project an attractive vision of the future. The other says we don't need new ideas, just new leaders," said one top Democrat who asked not to be named.

"The problem in reconciling these views is, how do you meet black needs and still reach out to white middle-America?"

SOME PARTY officials say the Democrats sacrificed too many white votes by trying to mollify black rights leader Jackson.

Jackson sought the nomination as the first black to seek a major party's presidential nomination and then



Jesse Jackson...demanding. (Millman)

made a long list of demands for reform in return for supporting his party's ticket.

Southern Democratic leaders say the party went too far in complying and sent the wrong signal to conservatives already worried that their party was preoccupied with liberal causes.

Black voter enrolment and turnout did improve over 1980, but this was offset by defections among white Democrats and by an avalanche of new Southern white voters brought out by such fundamentalist groups as the Moral Majority.

While Jackson often boasted that Reagan's narrow 1980 victory margins in many southern states could be erased by enrolling new black voters, the president in fact swept every one of those states by much wider margins this year.

He also won easily in northern industrial states where Jackson had galvanized the black vote during the primaries.

Blacks bridle at talk that Jackson was to blame for the debacle and that a political recovery may require weakening of traditional party stress on black civil and economic rights.

## FLICK FLAK

By DAVID MINTHORN / Frankfurt

LAST WEEK, Chancellor Helmut Kohl appeared before a parliamentary committee investigating the pay-offs and acknowledged that he had accepted three envelopes containing \$52,000 from Flick representatives in the 1970s when he was leader of the opposition. Kohl insisted there was nothing illegal about his acting as a conduit for secret political donations to his party.

Under West German law, political contributions by corporations are not illegal, if given openly and not intended to induce undue influence.

The investigation has provided no conclusive evidence directly linking Flick himself with illegal activities.

Flick, physically frail and soft-spoken, emerged virtually unscathed last March from two appearances before the Bonn committee that is probing the concern's systematic pay-offs to politicians and political parties.

Flick testified that company employees provided "financial aid" to various West German political groups for many years, but that he

did not directly "involve myself" with the donations.

He claimed he was unaware of any alleged bribes paid by company executives to obtain a \$283 million tax exemption on the sale of Flick's Daimler-Benz automotive stock in the 1970s.

The exemption on the sale of the 29 per cent stake in the Mercedes factory for \$633 million was claimed because Flick invested the profits overseas in the U.S. chemical giant W.R. Grace and Co.

The government last year revoked the tax break in the wake of the revelations, claiming the decision was made on the basis of wrong information provided by Flick. In his testimony, Flick insisted that he never had contacts with former "economics ministers" Hans Friderichs and Otto Lambsdorff, who have been charged with taking bribes to approve the tax break.

Flick said he met twice with former finance minister Hans Apel during the 1970s, but they did not

discuss the company's request for a tax break on the Daimler-Benz stock sale.

"It was not my manner to force a minister who was my guest to discuss company business," Flick told the committee.

More background on the Flick case is likely to be revealed in January when Friderichs and Lambsdorff go on trial. Flick's former top manager has been charged with giving the bribes that allegedly led to the tax break. All three have denied any wrongdoing.

THE FLICK NAME was controversial long before it was linked to the influence-buying scandal that has enveloped many top West German politicians, including Kohl and former chancellors Helmut Schmidt and Willy Brandt.

Friedrich F. Flick, the company founder, bankrolled Adolf Hitler in the 1930s and served a jail term imposed by the Nuremberg War Crimes Tribunal for economic crimes during the Third Reich.

"Rather than citing Jackson's campaign...we should realize that in recent years there has developed a climate in which racial polarization can flourish," said Eddie Williams.

Thomas Cavanagh, a polling analyst for the Joint Centre for Political Studies, said many other factors besides pure racism accounted for the movement of whites away from the Democrats.

These included the president's achievement of economic prosperity for the middle-class and wealthy; the relative unpopularity of Mondale compared to Reagan; and the inclusion of Geraldine Ferraro on the Democratic ticket, a move that alienated many conservative males.

Blacks in any case emerged from the election with little to show for their solid support for the Democrats.

Their representation on Capitol Hill will decline by one, from 21 to 20, when the new Congress convenes in January.

Their gains in state legislatures were zero - 372 of the thousands of seats before the November 6 ballot, 372 after it.

Many blacks, including Jesse Jackson, feel their political future still lies within a reformed Democratic Party. Others, like Williams, say it may be time for blacks to negotiate with the Republicans as well.

"As one-tenth of the electorate, blacks must recognize the strategic importance of well-constructed coalitions," Williams said. "Indeed, they may find they have to take the initiative in developing political negotiations with both major parties and at all levels of government." (Reuter News Service)



Svetlana Alliluyeva...a troubled homecoming. (Camera Press)

## Svetlana's return

By CHARLES BRENNER / Moscow

STALIN'S DAUGHTER, the Soviet Union's most celebrated defector, has revealed more about the personal tragedy of an exile than about the merits of the great rival political systems.

When Svetlana Alliluyeva appeared before the media in Moscow on Friday after her dramatic return from the West, the scene was set for her to deliver a dramatic denunciation of the Western world.

A handful of Western reporters had been invited by the Soviet Foreign Ministry to hear Alliluyeva, now a 58-year-old grandmother, account for her 17 years in America and England.

Stalin's only surviving child was expected to follow the example of other repentant homecomers and catalogue the misery of capitalist life. A senior Soviet journalist, Oleg Bitov, had done it just a month earlier.

As expected, she opened by reading a statement: "Having found myself in the so-called Free World, I was not free for one single day...I became a favourite pet of the CIA," she said, talking quietly in Russian.

WHAT EMERGED from 80 minutes of self-examination was a bitter tale of loneliness, tragedy and religious convictions that hardly accorded with the black-and-white world of official Soviet ideology. Describing herself as "returning like the prodigal son of the Bible," Alliluyeva gave an insight into her suffering and the Russian exile's proverbial longing for the motherland.

She had yearned, she said, for Russia and for her two adult children. Moreover, she had been tormented by guilt and had failed to find the quiet life among writers and artists that she had sought.

"The sense of profound guilt has never left me during all those years, no matter how hard I tried to live like the other Americans," she said.

Even the state news agency Tass, reporting her anti-Western statements, lapsed into uncharacteristic description - "A tired woman with a difficult life behind her."

For both Soviet and Western journalists, it was moving and strange to hear the testimony of the woman who for many older Russians is still associated with the worst days of Stalinism.

A U.S. newspaper said of her at the time of her defection: "She was the despot's darling, the pampered Kremlin doll."

DIPLOMATS BELIEVE her return must have stirred mixed feelings for the present Soviet leadership, which took the highly unusual step of restoring her citizenship and conferring it on her 13-year-old daughter, Olga, born of her brief American marriage.

On the one hand, it represented a major propaganda coup for a state which holds that a decision to leave for the West amounts to high treason, a crime that is punishable by death. Alliluyeva's departure and the attacks on her homeland in her published memoirs had enraged and embarrassed the Kremlin.

On the other hand, her return stirred memories of a period largely expunged from the official memory and rarely referred to in public except in the context of World War II.

"I think they were pleased to welcome back one of their own. But she hasn't really made good propaganda," said one Western Kremlin-watcher. "Her past has too many ghosts, her tale is too personal."

At the press conference, when Alliluyeva said she would never again talk to foreign reporters, she was closing a chapter that began with her spectacular arrival at New York's Kennedy Airport in April 1967.

Described by the press then as "radiant and beaming," "charming, captivating and gracious," Alliluyeva was given superstar treatment. She bantered with reporters in fluent English, and was wined and dined by the famous.

But as the years went by she retreated, and in rare interviews spoke mainly of her disillusionment and loneliness.

IN HER LAST interview, given to the London Observer in March, a year after she moved to England, she said she had found little to choose between the East and West.

"Yes, the fact that the USSR is a totalitarian regime makes a big difference...But you almost have a totalitarian regime in America, too," she said. "Sometimes I don't care what the regime is, I just want to see my grandchildren."

Last Friday, she stood by that interview, adding that a woman's inner life and family were more important than politics.

"From now on, I am going to live a quiet private life...Let us leave each other in peace after this meeting," she said.

Diplomats said they thought that the state would grant her wish for a quiet life. (Reuter News Service)

## Peace at a price

By JOHN KOHUT / Beirut

NOT EVEN radio newscasts are allowed to disturb the illusion of peace pervading Lebanon's premier hotel, a fortress-like building beside devastated slums and militia checkpoints.

With its back to a city plagued by almost daily bombings, kidnappings and gunfire, West Beirut's Summerland Hotel looks onto a sea ruffled only by speedboats and the pink and yellow sails of windsurfers.

Radios are banned because Beirut's many partisan stations "sometimes carry news which is full of rumours that might excite guests who are here to enjoy themselves," says general manager Khaled Saab.

For the mainly-Muslim, well-heeled West Beirut social set, Summerland is not only synonymous with unabashed respite, but also a symbol of dogged determination to enjoy life whatever suffering the country's political turmoil may have caused.

Forced to close after Israel's 1982 invasion and hit by 365 shells - mostly from Israeli gunboats, during the siege of Beirut that followed - the hotel has always been in the red,

Saab says. Since the hotel opened in 1978, the Summerland has never had more than 30 per cent occupancy because of continued fighting.

Since Beirut residents tend to stay close to home for fear of harassment at sectarian militia checkpoints on country roads, much of West Beirut's weekend relaxation takes place at the hotel.

On Saturdays, the Mecano Disco buzzes till 4 a.m., and hundreds of sun-worshippers sport designer swimwear around four pools. The glitter at a fashion show in the mirror-covered ballroom comes as much from the audience as from the catwalk.

"It's a contact place. If you stay in the hotel for a week in the summer, you'll meet all the people you want to see in Beirut," Saab says.

But on weekdays, this complex of

restaurants, bars and luxury shops falls silent, as Beirut goes back to work and the foreign tourists the owners have always hoped for continue to stay away, unconvinced that peace has come to Lebanon.

Heavily subsidised by its private owners, the hotel lost 1.5 million Lebanese pounds (\$200,000) a month in the first half of 1984. Even this summer, with no major battles in Beirut, only 15 per cent of the rooms were filled.

"Since we opened we haven't had peace, though we always felt war was coming to an end," Saab says.

IN THE summer of 1982, the Israelis fired rockets and shells at Summerland, believing it was harbouring terrorist units, which the hotel de-

nied. The damage cost 44 million Lebanese pounds (\$6m.) to repair.

The hotel's reconstruction and its ability to operate throughout the siege has become a local legend.

With its own power generators, Summerland was able to provide other hotels with meat from its own large stocks. The hotel was ready to reopen by New Year's Day 1983 with new additions, including two pools, a pizzeria and a casino.

But its troubles were not over. "After the invasion came curfews, then the mountain war last year (between Druze militiamen on one side and Christian militias and the army on the other). On July 20, 1983, a car bomb went off in front of the hotel," Saab recalls. The bomb

killed six employees and caused considerable damage, but the hotel, closed again, reopened a week later under tighter security.

Cars are not allowed to pass a gate well away from the hotel. Bags are checked at the gate by one of the hotel's 42 security guards and guests board a mini-bus for the journey to the lobby entrance.

Maintaining Summerland's aloofness from the daily cares of civil war requires talents not demanded of hoteliers in other countries. "It takes the skills of a diplomat," says Saab. "Everything depends on good public relations with all factions in the area," he says, pointing out that the area around Summerland is free of the political posters that cover buildings in the rest of West Beirut.

Asked why the hotel continues to operate despite all its woes, Saab says: "When the owners conceived this hotel, they thought it would be successful because Lebanon is a country known for its services."

"We're now waiting for the good days...we need nothing more than peace to succeed." (Reuter)

## Chit-chat revolution

By MARILYN AUGUST / Paris

SHE SITS alone in a smoke-filled Paris cafe. The bold sign of her table reads "Come, let's have a chat."

Within minutes, Lily Szenasi is surrounded by six hesitant but intrigued passersby, eager to discuss the merits of her invention - the conversation table.

Szenasi is neither a social worker nor a psychologist. She is a smiling, gray-haired lady of 60, and she does the work of both. For the past four years, she has travelled throughout Europe promoting "conversation corners" - designated areas in parks and beaches, airports and cafes where strangers can strike up a conversation.

"The idea is a simple one, but it has tremendous psychological and economic implications," said Szenasi during a recent interview. "I'm sure health services all over the world could save a lot of money if people weren't so lonely..."

"How many people, of all ages social classes, stay at home watching television because they don't want to go out alone," she said. "Conversation tables make people feel that they are not excluded."

Conversation spots have already caught on in Belgium, Switzerland and Sweden. Szenasi says that an aristocrat and a cleaning woman are

regulars at a conversation table she set up in Brussels, where she makes her home.

Last summer, crowded conversation benches in downtown Stockholm made front page news. A Swiss newspaper editorialized: "Mrs. Szenasi is as deserving of a communications prize as the inventor of the satellite."

Szenasi's idea has already found supporters in the French capital. "I was told the French are so cold, but now I am convinced that people are the same everywhere...I am coming back in January to set up a conversation corner at a Paris theatre."

Hungarian-born Szenasi barely escaped deportation by the Nazis during World War II. She speaks six languages fluently and worked as an interpreter before devoting herself full-time to communication. Her father died in a concentration camp, and she says she has always been concerned by human suffering. "I have always asked myself what I can do to make the world a little better."

SHE RECEIVES no outside funding and says she is content to stay

with friends and live on her modest income.

"I don't have money for my project, because I don't need money to get conversation spots going. They are free. The hard part is getting people to realize that it's not a crime, it's not madness to want to communicate with people they don't know."

"It just takes a minimum of courage," she says. "People have a fantastic potential for friendliness, but they have been socialized not to talk to strangers."

Szenasi does not like to be called a philanthropist. "I'm not giving anything to anyone," she insists. "Communication is reciprocal - people are giving something to each other. Words are so precious."

She encourages people at her conversation corners to avoid potentially divisive issues such as religion, politics and personal privacy. Subjects like movies, books, recipes and "small talk" are more conducive to bringing people together in a friendly way - and avoiding a potential platform for special interest groups, according to her philosophy.

"There are enough things that people have in common, so why focus on those things that tend to pull them apart?" (Associated Press)

## We're as American as Turkey and Pumpkin Pie

and we're throwing a great Thanksgiving party to prove it on THURSDAY, NOVEMBER 22nd.

## AMERICAN COLONY HOTEL

This year celebrate Thanksgiving in style with us. The superb traditional dinner is available any time from 12 p.m. until late evening. And from 7.30 p.m. there's real American music with the well-known TAVERNERS. Just the right sort of old time American ambience for you.



## modern primitives



By Oto Bihalji-Merin

The first comprehensive history and critical survey of the naive art of modern times, this is a book full of mysterious, enchanting people and strange, exotic objects of haunting beauty. Modern Primitives traces in words and pictures the development of this art style, from the intriguing paintings of Henri Rousseau to the originality of Grandma Moses and the wonderful simplicity of hundreds of unknowns. Published by Thames and Hudson, London; 304 pages including 389 illustrations (204 colour plates). PRICE: IS 79.15.

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\$5 million subsidiary of Cyclone

## Carcom aircraft assemblies plant opens in Carmiel

**By MACABEE DEAN**  
Jerusalem Post Reporter  
CARMIEL. — Carcom is a high-technology factory which produces composite panels and adhesively bonded assemblies for aircraft, including U.S. fighters such as the F-16 and civilian planes, such as Boeing passenger liners. The plant was formally dedicated here yesterday after completing its running-in period.

Some \$5 million was invested in building and equipping the 3,750 square metre factory, which is a subsidiary of Cyclone Aviation Productions. Cyclone itself is a subsidiary of Etz Lavud, of Petah Tikva. Cyclone shares are traded on the Tel Aviv Stock Exchange and those of Etz Lavud on the New York market.

Carcom (the name is derived from Carmiel Composite Industry) will use graphite epoxy and fibreglass cloth to produce parts for airplane assemblies. The finished product is considerably stronger and lighter than aluminium.

According to Moshe Harel, head of both Cyclone and Carcom, the use of composite materials is soaring. While some 500 ton will be produced in the U.S. alone, in 1984/85, more production will rise to 2,250 tons by 1987.

According to Haim Yaron, board

chairman of Cyclone, low-weight, high-strength composite materials are becoming the aircraft material of the future. At present, some five per cent of the body of a Boeing 767 is made of composite materials, and 15 per cent of the F-16. Beechcraft and Sikorsky are making complete air-planes and helicopters from composite materials. It was such materials which made the British Harrier (which was used in the Falkland Islands War) so successful.

Yaron also noted that Carcom, like Cyclone, would provide jobs for highly skilled engineers and technicians in the north. Cyclone at present employs 500 persons. Although Carcom only employs 30 people, 17 of them are engineers or technicians, and the number employed at Carcom is expected to increase.

The plant already has firm orders (75 per cent from abroad) for goods valued at \$5m., and since production is estimated at \$2m. a year, this will ensure that the plant runs at full capacity for at least the next few years.

Industry Minister Ariel Sharon, who was supposed to dedicate the plant, sent his personal regards from New York, noting: "Believe me, I would rather be in the Carcom plant in Carmiel with you, than in a New York courtroom."



The director-general of the Industry Ministry, Yehoshua Forer, (centre) cuts the ribbon opening the new Carcom factory yesterday, as Carmiel Mayor Baruch Wanger (in white jacket) looks on. At the far left is Moshe Harel, the head of Cyclone and Carcom, while board members David Kremerman (in light jacket) and Haim Yaron are at the right.

## N.Y. now costliest place for offices

LONDON (Reuters). — New York's fashionable midtown area has overtaken London's financial district as the world's most expensive place to have an office, according to a new survey of property costs.

Property consultants Richard Ellis estimate that it costs nearly \$57 (\$71) a year to rent and run a square foot of office space in midtown New York (\$764 per square metre). This is \$2 (\$2.50), or \$27 per square metre

more than in the City of London. Tokyo is the third most expensive city to do business in.

The cheapest of 23 cities surveyed in Brussels, where one square foot costs only \$7.6 (\$9.50), or \$102 per square metre.

Hongkong, running a close second to London only three years ago, has fallen to the middle of the table because of political uncertainty according to the consultants.

## No pressure for exemption from price freeze

Yehoshua Forer, director general of the Ministry of Industry and Trade, said yesterday that there was "no heavy pressure" from manufacturers to have the ministry approve exemptions to the price freeze for their products.

Forer, who toured Haifa shops, added that planning has already begun at the ministry on a gradual thawing of prices beginning February 1, 1985, when the freeze ends.

A spokesman for the Federation

of Contractors and Builders told The Jerusalem Post yesterday that there are still 218 new flats throughout the country whose prices are frozen and which are on sale at the prices quoted on November 2, the "determining date" of the price freeze.

Last week, the Package Deal Follow-Up Committee exempted housing from the freeze, except for units which were offered for immediate occupancy on November 2, at a firm, non-negotiable price.

## 44 per cent drop in taxes paid by companies

**By AVI TEMKIN**  
Income-tax revenue from companies fell 44 per cent in the first six months of the fiscal year, compared with the same period a year ago. This emerges from a document presented to the Knesset Finance Committee by the State Revenue Administration on Monday.

Income-tax revenue from workers fell 5 per cent from April to September, compared with the same period in 1983, though the average tax level rose from 29 to 33.5 per cent.

Revenue from the self-employed

fell by 16.5 per cent over the same period.

MKs Yair Tzaban (Mapam) and Haim Ramon (Labour) called for updating tax brackets monthly, according to the full increase in the cost-of-living index. Tzaban's proposal was voted down, but Ramon's will come up for consideration this week.

**SUMMER CROP** — Iraq has begun exporting vegetables to other Arab countries after achieving a first-ever summer crop surplus.

## Peres replies to professor critics

**By AVI TEMKIN**  
Post Economic Reporter  
Prime Minister Peres this week hit back at the Tel Aviv University economists who earlier this month predicted that the economic package deal would cause disaster.

Peres wrote a letter to the group, accusing them of causing "demoralization" and criticizing them for making their views public without talking to him first.

The group called for a \$2.2 billion cut in government expenditure without a package deal.

Peres wrote such a cut would have pushed inflation to between 30 and 35 per cent monthly for six to eight months.

"It is doubtful whether the system could have stood up to such levels of inflation," Peres wrote. "We are aware of the dangers regarding a price explosion once the package deal is over, and therefore we are cutting the budget," he concluded.

## New oil tanker joins merchant marine

**By YAA'COV FRIEDLER**  
Jerusalem Post Reporter  
HAIFA. — An almost new 13,500-ton oil tanker has joined the Israel merchant marine under a charter deal between the Electric Corporation and the Ofer Brothers and Marico shipping companies.

The two companies acquired the ship, the Mulberry Queen now renamed the Orit, from her Japanese owners. The tanker was immediately chartered to the Electric Corporation, which needs it to carry fuel oils from the Haifa and Ashdod refineries and its power stations.

The Orit, which is one year old, will replace a 20-year old vessel the corporation had been using. She will be manned by the old ship's crew of 22 and will sail under the Israeli flag.

The charter is for three years, with options for nine more years, guaranteeing the ship enough work to make the acquisition worthwhile.

**ISLAMIC LOAN** — The Islamic Development Bank is providing Morocco with a \$20 million loan to finance the purchase of crude oil.

## WHAT'S ON

Notices in this feature are charged at IS2415 per line including VAT. Insertion every day of the month costs IS48,900 per line including VAT, per month.

### Jerusalem

**MUSEUMS**  
Israel Museum Exhibitions: Photography, oil painting, sculpture and assemblages. Moshe Kupferman, Paintings, Works on Paper, David Tarkenton, Products of Israel, Scenic — creating home theatre sets and greeting cards. Permanent collection of Judaica, Art and Archaeology, Rockefeller Museum, Egypt — the other side of the River — faience objects, Ticho House, works by Anna Ticho, Henukka lamps, library and garden etc.  
Valley House: Maimonides: 10-5. At 11: Guided tour in English. 3-5: Children's film "Swan Lake". 8-9: Literary Evening at Ticho House. "As a Broken Vessel" (guests include Shulamit Lapid).

**CONDUCTED TOURS**  
HADASSAH — Guided tour of all installations. Hourly tours at Kiryat Hadassah and Hadassah Mt. Scopus. Information, reservations: 02-416333, 02-446271.

**HEBREW UNIVERSITY**  
1. Tours in English at 9 and 11 a.m. from Administration Building, Givat Ram Campus. Buses 9 and 28.  
2. Mount Scopus tours 11 a.m. from the Brodman Reception Center, Sherman Building, Buses 9 and 28 to last stop. Further details: Tel. 02-882819.

**AMIT WOMEN** (formerly American Mizrahi Women). Free Morning Tours — 8 Alkalai Street, Jerusalem, Tel. 02-699222.

### Tel Aviv

**MUSEUMS**  
Tel Aviv Museum Exhibitions: Design for Disabled Persons. Zaritsky, A Retrospective. Art of Sardis until the end of the Neolithic period. The Zone, Elias Baile's photographs. Collections: Classical 17th and 18th century paintings; Impressionism and Post-Impressionism; 20th Century Art: Selection of Israeli Art; Special loans, including paintings by Monet, Matisse, Picasso, Bonnard, Matisse, Rothko, Gotti, Helen Rubenstein, Pauline Dennis Oppenheim; Factories, Fireworks, 1979-84, machine-like assemblages; Visions. Tel Aviv Museum: Sun-Thur, 10-2; 5-9. Fri. closed. Sat. 11-2; 7-10. Hebrew Robinson Pavilion: Sun-Thur, 10-5; 5-7. Fri. closed. Sat. 11-2.

**CONDUCTED TOURS**  
AMIT WOMEN (formerly American Mizrahi Women). Free Morning Tours — Tel Aviv, Tel. 220187, 243106.  
WIZO: To visit our projects call Tel Aviv, 220359; Jerusalem, 220606; Haifa, 99337.  
FIONER WOMEN: NA'AMAT. Morning tours. Call reservations: Tel Aviv, 256096.

### Haifa

What's On in Haifa, dial 04-648640.

## Study wants new airline to replace bankrupt Maof

**By JOSHUA BRILLIANT**  
Post Aviation Reporter  
TEL AVIV. — A study commissioned by Transport Minister Haim Coru recommends that the Maof charter airline be liquidated and that the government help establish a new airline in its stead.

Maof's debts are too high and it is unlikely that with such a burden it could succeed against the very tough competition. Ramon Harel said in his 18-page report. Harel, a former director-general of the Transport Ministry and later of the Israel Airports Authority, presented his report to the minister on Monday. It was released to the press yesterday.

He estimated that the privately owned company's debts total \$16 million. Its assets, including three planes, offices and computers, are worth no more than \$3m. to \$4m.

The company's losses resulted from several mistakes, Harel said. Maof did not have enough capital to begin with, so management was preoccupied with trying to raise money and paid excessively for it.

While Maof took in \$78m. during its three years of operations, it spent \$87m. This over-run of expenses was partly a result of an attempt to build a managerial and marketing infrastructure which was too big for the company.

As the economic situation worsened, the number of Maof passengers dropped by 14 per cent. Low fares resulting from the stiff competition further hit Maof. Its fares for 1984 were 5 to 7 per cent lower than in 1983. Had they been equal to last year's, Maof's income would have been \$1.5m. higher.

Harel said he thought Israel should have a charter company, partly because it would prompt El Al to keep on improving its service, and also because Maof's aggressive and modern marketing methods would

help bring more tourists. He advocated that the government help find entrepreneurs willing to invest \$1m. in a new airline. Government guarantees for suppliers and passengers should be granted to the tune of \$3m. Maof's planes, equipment and buildings should be rented from the creditors or owners, he said.

The government should further assist the establishment of a new charter carrier by guaranteeing coordination with El Al and other Israeli charter carriers. A new company could be profitable if it used Maof's two Boeing 720Bs and charged \$300 to \$400 per ticket for flights to Europe. That is 7 to 10 per cent higher than the prices which had been in effect in the summer of 1984, he noted.

Harel also recommended special arrangements to fly an estimated 5,000 people who hold Maof tickets or subscriptions via Arkia and El Al.

## Bonn sets date for world economic summit

BONN (Reuters). — The 1985 World Economic Summit of the top seven non-communist industrialized nations will be held in Bonn from May 2 to 4, West Germany said yesterday.

Chief government spokesman Peter Boenisch, announcing the dates, said the main themes of the three-day meeting would be inflation-free economic growth, trade policy and international debt, unemployment, and the environment.

The annual summit, held in London this year, groups the heads of state or government of Britain, Canada, France, Italy, Japan, the U.S. and West Germany as well as the president of the European Commission.

## ENTERTAINMENT

### TELEVISION

**EDUCATIONAL:**  
8.15 School Broadcasts 15.00 Surprise Train 15.30 Doc Quoties (part 9) 16.00 Robo Sumo 19.30 Catching the Sun — utilizing the sun's rays 17.00 A New Evening — live magazine  
**CHILDREN'S PROGRAMMES:**  
17.30 Sonnetville  
**ARABIC LANGUAGE programmes:**  
18.30 News roundup  
18.32 Situation  
18.45 Inventions and Innovations  
19.00 Between Citizens and State  
19.30 News  
**HEBREW PROGRAMMES** resume at 20.00 with a news roundup  
20.02 Dinka — documentary about the Dinka people  
20.30 Tappi — bi-weekly science and technology magazine  
21.00 Mabat Newsweek  
21.30 Mabat  
22.05 The Last Hard Men. Andrew V. McLaglen's 1976 film stars Charlton Heston, James Coburn and Michael Parks  
23.40 News  
**JORDAN TV (unofficial):**  
17.30 Cartoons 18.00 French Hour 18.30 (ITV 3) That's Incredible 19.00 News in French 19.30 News in Hebrew 20.00 News in Arabic 20.30 Three's Company 21.10 The Romantic Spirit 22.00 News in English 22.15  
**MIDDLE EAST TV (From T.A. north):**  
13.00 Insight 13.30 Another Life 14.00 700 Club 14.30 Shape-up 15.00 Afternoon Movie 16.30 Spiderman 17.00 Popeye 17.30 Super Book 18.00 Bosnian 19.00 Trapper John 20.00 Another Life 20.30 News 21.00 Mork & Mandy 21.30 Father Murphy 22.30 Casper & Lucy 23.30 700 Club 24.00 News Update 00.30 Eventide

### ON THE AIR

#### Voice of Music

6.02 Musical Clock  
7.07 Mendelssohn: Athalia overture (Moshe Atzmon); Handel: Concerto. The Cuckoo and the Nightingale  
7.30 Teleman: Suite in A minor; Mendelssohn: Violin Concerto (Shlomo Mintz, Chicago, Abbado); Tchaikovsky: Symphony No. 4 (London Symphony, Sait); Respighi: Suite No. 3. Arrie et Danse Antie (Los Angeles, Mariss)  
9.30 Handel: Concerto Grosso (J.S.O. From); Mendelssohn: Symphony No. 3 (New Philharmonia, Muti); Brahms: Piano Concerto No. 2 (Emil Gilels, Berlin Philharmonie, Jochum); Britten: Symphony for Cello and Orchestra, Op. 68 (Raphael Sommer, J.S.O., Campanella)  
12.00 Hermann Baumann, horn — Rosenrot; Concerto: Beethoven: Quintet for Oboe, 3 Horns, Bassoon; Haydn: Horn Concerto No. 2  
13.05 Borland: Prince Igor, ballet music; Copland: Billy the Kid; Hindemith: Nobilissima visione  
15.00 Music from outside Europe  
15.30 Youth Programme — Jazz  
16.00 Short Films by Great Masters  
16.30 The Vienna Symphony Orchestra, Gary Bertini conducting — Bartok: The Miraculous Mandarin; Stravinsky: Petruska  
18.00 Contemporary Music — Yacov Gil-

### First Programme

6.30 Programmes for Olim  
7.30 Morning Concert (from Voice of Music)  
9.30 Encounter — live family and social affairs magazine  
10.30 Programme in Easy Hebrew  
11.10 School Broadcasts  
13.30 Education for all  
12.05 Sephardi songs  
13.00 News in English  
13.30 News in French  
14.05 Children's programmes  
15.55 Notes on a New Book  
16.05 Programme for Senior Citizens  
17.12 Jewish Ideas  
17.20 Everyman's University  
18.45 Afternoon Classics  
18.47 Bible Reading  
19.05 Lesson in Halacha  
19.30 Programmes for Olim  
22.05 A Friend from the Same Planet

### Second Programme

6.12 Gymnastics  
6.30 Editorial Review  
6.53 Green Light — drivers' corner  
7.00 This Morning — news magazine  
8.05 Safe Journey  
9.05 House Call — with Rivka Michaeli  
10.10 All Shades of the Network — morning magazine  
12.00 Open Line — news and music  
12.00 Midday — new commentary, music  
14.06 Matters of Interest — with Gali Gazi  
15.05 Magic Moments — favourite old songs  
16.10 Safe Journey  
17.10 Economics Magazine  
17.30 Of Men and Figures  
18.06 New Faces in the Knesset  
18.45 Today in Sport  
19.05 Today — radio newswire  
19.20 The Jewish People  
20.05 Folklore Magazine  
21.15 Song for the Road  
22.05 Stage and Screen  
23.05 Night Games

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18.00 Contemporary Music — Yacov Gil-

### Army

6.10 Morning Sounds  
6.30 University on the Air  
7.07 "707" — with Alex Arian  
8.10 Midday — TV newswire  
9.05 Right Now — with Shmuel Nehorai  
11.05 Israeli Autumn — with Eh Yarnal  
13.15 Two Hours  
15.05 Time Out  
16.04 Four in the Afternoon  
17.05 Evening Newswire  
18.05 IDF Magazine  
19.05 Music Today  
20.05 Foreign Language Hit Parade  
21.00 Midday — TV newswire  
21.30 University on the Air (repeat)  
22.05 Popular songs  
23.05 Miracles happening in our Time  
00.05 Night Birds — songs, chat

### CINEMAS

**JERUSALEM 4, 7, 9**  
Eden: The Angel; Eden: Watch, We are Mad; Halbarth: Stricken Candles; Kfir: Maria's Lover; Mitchell: Survivors 7, 9; Orgil: Paris-Texas 4, 6, 30, 9; Orion: The Race after Yankee Zephyr; Orion: Extremities of the Year 2000; Ron: Beyond the Walls; Samaritans: Another Fine Another Place 7, 9, 15; Biennale: Ha-Top Secret 7, 9; Cinema One: Double feature! Victor: Breakdance 6; Footloose 7, 45; New York New York 9, 30; Israel Museum: Swan Lake 3, 30

### TEL AVIV 4, 7, 9, 15, 30

Albany: Ninja III; Ben-Yehuda: Woman in Red; Cinema 1: Splash 4, 7, 20, 9, 45; Cinema 2: Reuben Reuben 4, 7, 20, 9, 45; Cinema 3: Romancing the Stone 4, 7, 15, 9, 30; Cinema 4: Big City 10, 30, 1, 30, 5, 7, 25, 9, 40; Cinema 5: Police Academy 10, 30, 1, 30, 5, 7, 25, 9, 40; Cinema 6: D.C. Cab; Cinema 7: Racing the Moon 4, 7, 20, 9, 45; Cinema 8: Without a Trace 7, 15, 9, 30; Cinema 9: Greystoke 5, 30; Bolero 9, 30; Sex Carmen 3, 30, 6, 30, 9, 30; Top Secret: Herd 4, 7, 10, 9, 30; Geron: The Lev II: Beyond the Walls 1, 45, 4, 7, 15, 9, 30, 9, 40; Lamer: Get Crazy; Maxima: I Love (or I Hate); Miroslav: Deadly Force; Orly: Struck Down; Paris: Atalia 12, 2, 4, 7, 30, 9, 30; Peace: Harry and Son;

### HAIFA 4, 6, 45, 9

Amphitheatre: Instructions Cambodia; Armon: Romancing the Stone; Atzmon: Angel; Cinema: Splash; Marish: Another Time Another Place 7, 9 (Tue. 1st midnight show); Orly: Woman in Red (midnight show); Orly: Herd 6, 45, 9; Peace: Beyond the Walls; Ron: Top Secret; Shani: Paris-Texas 6, 30, 9, 15

### RAMAT GAN

Armon: Beyond the Walls 7, 15, 9, 30; Cinema 11 4, 30; Liza: Woman in Red 7, 15, 9, 30; Orly: Splash 4, 7, 15, 9, 30; Zing: Story 7, 15, 9, 30; Ramat Gan: Violence in a Carreer: Fennia 7, 30, 9, 30

### HERZLIYA

Devil: Cannonball II 4, 7, 15, 9, 30; Herd: Domination 7, 15, 9, 30; Tiber: Beyond the Walls 7, 15, 9, 15 (Sun. 1st, 4, 30)

### BOLON

Migdal: Splash 7, 15, 9, 30 (Sun. also at 4, 30); Sevoy: Woman in Red 4, 7, 15, 9, 30

### RAT YAM

Atzmon: Conan the Destroyer 4, 30, 7, 15, 9, 30

## 'Sale of the century' of UK Telecom shares

LONDON (Reuters). — The British government yesterday invited millions of small investors to take a stake in the national telephone company in what has been billed as the share sale of the century.

Just over half of British Telecom, the world's fourth-biggest telecommunications firm, is being sold into private hands in the most ambitious phase of the Conservative Government's effort to "roll back the frontiers of state ownership" by selling off parts of state-owned concerns.

Valued at £3.9 billion (\$4.87b.), the share issue is the largest the world has seen. About three billion shares are on offer at £1.30 (\$1.62). Major financial institutions at home and abroad are taking up most of the shares, but 36 per cent has been set aside for the public, reflecting a government wish to widen share ownership.

Yesterday morning 1.3 million homes received application forms by mail, while 2.7 million forms became available at banks and post offices. The prospectus was printed in sever-

al national papers.

Investors must send in their bids by November 28, and they will find out soon afterwards how many shares they have been allotted.

Telecom has already reported unprecedented interest in the issue, which was heralded by an intensive advertising campaign, and stock market sources said it may well be heavily oversubscribed.

Investors have been enticed by offers of money off their telephone bills or free bonus shares after three years. They will also have two years to pay for their shares, the initial downpayment being only 40 per cent.

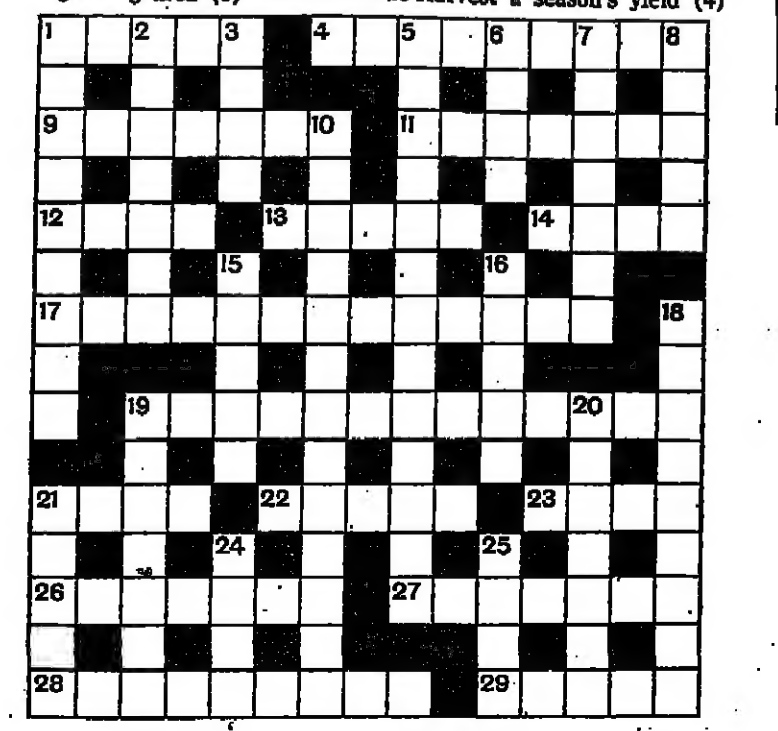
Some of the new shares are being offered on stock markets in the U.S., Japan and Canada, and the opposition Labour Party warned yesterday of the possibility of a major share swoop by foreign interests.

The present record for the world's biggest share issue is held by the American Telephone & Telegraph (ATT) company, with a \$1.37b. offer in New York in 1971.



## ONE-AND-ONE CROSSWORD

- |   |  |
|---|--|
| <b>ACROSS</b>   | <b>DOWN</b>  |
| 1 But this classic good-lucker wasn't French (5)                        | 1 Controversial North European claim of a sort... (9)            |
| 4 Warm jokes about the marksmen (6,4)                                   | 2 To recover land from the sea, perhaps (7)                      |
| 9 Devil of a match! (7)   | 3 If in the way, examine closely (4)                             |
| 11 Rose, say, about to tone up (7)                                      | 5 Product of a great school I discover in digs (15)              |
| 12 Something to chew over at a hen-party? (4)                           | 6 Weapon presenting an unusual risk (4)                          |
| 13 Look in the eye of one angel, amorously inclined (5)                 | 7 One who haunts the place, somewhat in the shade (7)            |
| 14 Stick around a piggy (4)   | 8 Material for a diminutive (7)                                  |
| 17 Firm friend, full of fire, but kindly withal (13)                    | 10 Lords it at a Rugby Union lest he shows torso off (5, 3, 5)   |
| 19 Thane location surely pointing the wrong way to find antelope (5, 8) | 15 Child one found in a grain-store (5)                          |
| 21 Large number of former servicewomen in a musical (4)                 | 16 Aspect of English in fact (5)                                 |
| 22 Plait a plait (5)  | 18 It has a star cast, and capital a U.S. lawyer underwrites (9) |
| 23 The Algarve's capital game (4)                                       | 19 Artist I gossip about (7)                                     |
| 26 American city fashionable in times past? (7)                         | 20 Not for a profit by the way (7)                               |
| 27 Rattigan, for example, was a Latin poet (7)                          | 21 ...but there's money in it, one hears (5)                     |
| 28 Hurt an eye badly making Weber opera (9)                             | 24 Emile's girl (4)  |
| 29 Press Association worker backing an Indian rice-growing area (5)     | 25 Harvest a season's yield (4)                                  |



## GENERAL ASSISTANCE

### EMERGENCY PHARMACIES

Jerusalem: Central Bus Station, 234 Jaffa, 520190. Baitum, Salah Eddin, 272315. Shu'fat, Shu'fat Road 810108. Dar Al-Adna, Herod's Gate, 282058.  
Tel Aviv: Lev Hair, 69 Ehad Haam, 613862. Kupat Holim Mithedeth, 15 Sprink, 265200. Netanya: Hama, 36 Weizman 23639. Haifa: Yavon, 7 Bin Sima 672288.

### DUTY HOSPITALS

Jerusalem: Shaare Zedek (pediatrics), Hadassah E.R. (internal, gynecology, surgery, ophthalmology). Hadassah M.S. (orthopedics), Biker Holim (E.N.T.). Tel Aviv: Rokah (pediatrics, internal, surgery). Netanya: Lomido (obstetrics, internal, pediatrics, gynecology, surgery).

### FLIGHTS

For information on Bettered Women Shelter call Family Violence Service — 03-231679, 239222 or any of the Rape Crisis Centre or Eran, her lines.

Jerusalem Center for Drug Abuse and Misuse, Intervention, Tel. 663828, 663



## Israel high-tech firms report mixed profits

**By PINHAS LANDAU**  
**Post Finance Reporter**

TEL AVIV. — Two more Israeli companies, whose shares are traded in New York markets, have reported results for the July-September quarter, and these are of mixed quality. While ECI (Electronics Corporation of Israel) achieved record profits in the most recent period, Laser Industries came in with a loss.

ECI, a subsidiary (59.4 per cent) of Clal Electronic Industries, announced a jump of 88 per cent in sales for the third quarter, to \$4.6 million, compared with \$2.46m. in the July-September quarter last year. Net income totalled \$700,000, a massive 227 per cent increase over last year's \$214,000. Earnings per share were \$0.14, up from \$0.05.

For the first nine months of 1984, sales showed a 77 per cent gain, to \$12.7m. (1983, \$7.2m.). Net income almost quadrupled, totalling over \$2m., as against only \$530,000 in 1983. Earnings per share increased slightly less, from \$0.12 to \$0.44, as the average number of shares outstanding was slightly higher in 1984.

Meir Laiser, president of ECI, noted that "interest in the company's telephone circuit multiplication equipment, which doubles the capacity of transmission systems, continues to build around the world. Recently announced orders have also boosted ECI's military and systems business in Israel and abroad."

Laser Industries reported its second quarter and half-yearly results for the period ending September 30, 1984. Whereas sales in the

## Dollar breaks DM3 barrier despite weak economic data

LONDON (Reuters). — The dollar surged above three marks for the first time in almost three weeks here yesterday, shrugging off further indications that the U.S. economy is slowing down.

A brief spurt of selling greeted news that the American Gross National Product (GNP) grew at an annual rate of only 1.9 per cent in the third quarter, down on a preliminary forecast of 2.7 per cent and far slower than earlier this year.

But the dollar soon recovered and, having dipped to 2.9845 marks from its close in Europe yesterday of 2.9915, ended the day in London at 3.0072 marks.

Although the signs of a weaker economy would normally point to lower U.S. interest rates and a less attractive dollar, traders said that the market's often-changing views on the dollar's future now favoured a strengthening currency.

Some traders pointed to the breakdown of the GNP figures, which showed lower stocks held by companies and higher consumer demand. They said these factors indicated that the U.S. economy was just pausing for breath and would rebound strongly in the final quarter of the year.

## French trade plunges back into deficit

PARIS (Reuters). — France's trade with the rest of the world fell back into heavy deficit in October, virtually wiping out the surpluses of the previous two months and putting in some doubt the government's ability to meet its deficit targets.

Foreign trade ministry figures released yesterday showed a seasonally-adjusted deficit of Fr3.39 billion (\$69 million) in October, following a cumulative surplus of Fr3.98b. (\$433m.) in August and September.

It brought the deficit for the year so far to Fr22.4b. (\$2.4b.). This is close to the Fr25b. (\$2.7b.) level that the National Statistics Institute forecast this month would be the deficit for the whole of this year.

## Share potential boosts market

### MARKET COMMENT

By PINHAS LANDAU

Both shares and bonds moved ahead yesterday, but the main action was concentrated in the share market.

However, one must immediately qualify the term "action" by stressing that it refers only to the degree of price movement. For, if measured by the turnover, yesterday showed the share market to be less active than on any other recent day.

The volume in the share market dropped to IS\$52 million from around IS\$1 billion in the two preceding days. This is equivalent to a little over \$1.5m., and shows that there is little real interest in the market. More encouragingly, however, the majority of the volume (about IS\$47m.) was in the "free" market, while the "arrangement" sector managed only IS\$574m., its lowest "score" for many weeks.

In terms of scale of advance, the results were fairly uniform. The General Share Index rose by 3.25 per cent, with the "arrangement" index gaining 3.13 per cent and the non-bank index 3.64 per cent.

Only the investment companies and the oil sector broke this pattern by significant margins, rising by 7.71 and 4.91 per cent, respectively.

As noted here in the past, the investment company sector has tended recently to lead the market in moves in both directions, and so it proved again yesterday. Indeed, one representative of this group, IDB Development, broke the monopoly

attractive investment alternative. These factors explain the potential for shares, and serve as a sufficient excuse for the faithful to jump back into the market.

Why bonds should go up is less clear, but a case can be made that the fall in nominal bank deposit rates makes bonds relatively more attractive, even if inflation does fall, since it is unlikely to disappear entirely.

The low volume indicates, however, that the faithful, this time, are few in number and/or lacking in fervour. Given the disappointment with the package deal, as it has evolved, and the total failure of the brief but violent rally that took place in the share market after its signing only a fortnight ago, this is probably not surprising.

This time, though, there were very few "buyers only" situations, and although advances led declines by 9:2, and sharply rising issues were nine times more numerous than sharply falling issues, the whole rally seemed to lack thrust.

Nevertheless, the fact that the strongest rises were made by the sectors that trade latest, such as investment companies and oil shares, seems to indicate that there is more demand building up and therefore the next day or two may well see a continuation of the up move.

And who knows, maybe the rally will broaden out and become more firmly based—and thus longer-lived.

In practice, the market was a repeat performance, if on a much smaller scale, of the events following the signing of the package deal. Now, as then, there was a move by the "inner circle" of brokers and speculative traders to buy up stock, in the hope that a fall in interest rates or a price freeze would help to restore the stock exchange to something resembling life.

The background to this latest scramble is to be found in two items of news. The first is the announcement of a further fall in interest rates, although this time only by 1.5 per cent. Nevertheless, the new reduction coming only two weeks after the previous one, shows that the intention to keep rates moving down is very much alive.

Secondly, there has been talk of extending the existing wage/price freeze beyond the three-month limit set for it, and possibly until next summer. Any reduction in inflation, even if temporary and even if artificial, is positive for the share market, because it makes shares a more

## Tel Aviv Stock Exchange daily price quotations

| Company                     | Price | Change     | Volume | Company         | Price | Change   | Volume |
|-----------------------------|-------|------------|--------|-----------------|-------|----------|--------|
| Commercial Banks            |       |            |        | Hotels, Tourism |       |          |        |
| (not part of "arrangement") |       |            |        | Gal Zohar 1     | 2950  | 10 +5.0  |        |
| OHR                         | 5800  | -          |        | Gal Zohar 2     | 801   | 5 +0.6   |        |
| Maritime 1                  | 632   | 60 +1.9    |        | Dan Hosi 1      | 320   | 67 +2.0  |        |
| Gen. Sec. 1                 | 4950  | 65 +1.3    |        | Dan Hosi 2      | 288   | 30 +1.0  |        |
| N. Amer. 1                  | 2603  | 163 +6.2   |        | Conat Beach     | 388   | -        |        |
| N. Amer. op 1               | 3411  | 33 +1.0    |        | Kenes           | 564   | -        |        |
| Danot 1                     | 477   | 27 +4.8    |        | Yarden Hot      | 765   | 14 +1.8  |        |
| Danot 2                     | 90    | 371 +1.1   |        | Yarden Hot      | 316   | 15 +4.4  |        |
| Danot 3                     | 218   | b.o.1 +4.4 |        | Yablon          | 158   | 78 +5.0  |        |
| Fractal 1                   | 670   | 1434 +3.7  |        | Yablon op       | 218   | -        |        |
| FIBI                        | 655   | 3729 +1.1  |        |                 |       |          |        |
| Computer                    |       |            |        |                 |       |          |        |
| Elon 1                      | 1165  | 10 +0.9    |        | Elon 1          | 459   | 20 +4.4  |        |
| Elon 2                      | 1995  | -          |        | Elon 2          | 1165  | 10 +0.9  |        |
| Elon 3                      | 395   | 70 +4.4    |        | Elon 3          | 1995  | -        |        |
| Elon 4                      | 320   | 20 +5.3    |        | Elon 4          | 395   | 70 +4.4  |        |
| Elon 5                      | 741   | 39 +5.7    |        | Elon 5          | 320   | 20 +5.3  |        |
| Elon 6                      | 348   | 30 +7.0    |        | Elon 6          | 741   | 39 +5.7  |        |
| Elon 7                      | 15900 | -          |        | Elon 7          | 348   | 30 +7.0  |        |
| Elon 8                      | 15560 | 39 +1.4    |        | Elon 8          | 15900 | -        |        |
| Elon 9                      | 27000 | 6 +1.7     |        | Elon 9          | 15560 | 39 +1.4  |        |
| Elon 10                     | 3520  | 82 +1.7    |        | Elon 10         | 27000 | 6 +1.7   |        |
| Elon 11                     | 3380  | 200 +4.5   |        | Elon 11         | 3520  | 82 +1.7  |        |
| Elon 12                     | 8660  | 300 +3.1   |        | Elon 12         | 3380  | 200 +4.5 |        |
| Elon 13                     | 8700  | 94 +2.9    |        | Elon 13         | 8660  | 300 +3.1 |        |
| Elon 14                     | 4020  | 38 +2.9    |        | Elon 14         | 8700  | 94 +2.9  |        |
| Elon 15                     | 22000 | 1 +0.1     |        | Elon 15         | 4020  | 38 +2.9  |        |
| Elon 16                     | 14275 | 753 +3.3   |        | Elon 16         | 22000 | 1 +0.1   |        |
| Elon 17                     | 14250 | 186 +2.9   |        | Elon 17         | 14275 | 753 +3.3 |        |
| Elon 18                     | 36360 | 16 +1.4    |        | Elon 18         | 14250 | 186 +2.9 |        |
| Elon 19                     | 36360 | 16 +1.4    |        | Elon 19         | 36360 | 16 +1.4  |        |
| Elon 20                     | 91000 | -          |        | Elon 20         | 36360 | 16 +1.4  |        |
| Elon 21                     | 35600 | -          |        | Elon 21         | 91000 | -        |        |
| Elon 22                     | 37730 | -          |        | Elon 22         | 35600 | -        |        |
| Elon 23                     | 2780  | -          |        | Elon 23         | 37730 | -        |        |
| Elon 24                     | 1920  | -          |        | Elon 24         | 2780  | -        |        |
| Elon 25                     | 12700 | -          |        | Elon 25         | 1920  | -        |        |
| Elon 26                     | 3250  | -          |        | Elon 26         | 12700 | -        |        |
| Elon 27                     | 124   | -          |        | Elon 27         | 3250  | -        |        |
| Elon 28                     | 1300  | -          |        | Elon 28         | 124   | -        |        |
| Elon 29                     | 1700  | -          |        | Elon 29         | 1300  | -        |        |
| Elon 30                     | 6700  | -          |        | Elon 30         | 1700  | -        |        |
| Elon 31                     | 1300  | -          |        | Elon 31         | 6700  | -        |        |
| Elon 32                     | 1300  | -          |        | Elon 32         | 1300  | -        |        |
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| Elon 41                     | 1300  | -          |        | Elon 41         | 1300  | -        |        |
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| Elon 98                     | 1300  | -          |        | Elon 98         | 1300  | -        |        |
| Elon 99                     | 1300  | -          |        | Elon 99         | 1300  | -        |        |
| Elon 100                    | 1300  | -          |        | Elon 100        | 1300  | -        |        |



The 5th Annual "FORSAKE ME NOT" Fund

The campaign to maintain and enlarge services for the aged through the winter

The 38th Annual HANUKKA TOY FUND

To provide toys and games for Hanukka for every child in a government institution or in foster care

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**Notice to Our Readers**

All advertisements published in this newspaper giving prices in dollars are inserted on the sole responsibility of the advertiser.

**Bank of Israel exchange rates**

|                   | IS     | IS     |
|-------------------|--------|--------|
| November 20, 1984 |        |        |
| U.S. dollar       | 554.26 | 475.83 |
| British sterling  | 692.30 | 310.14 |
| German mark       | 185.34 | 91.902 |
| French franc      | 60.420 | 263.65 |
| Dutch guilder     | 164.32 | 298.41 |
| Swiss franc       | 224.49 | 227.30 |
| Swedish krona     | 64.588 | 376.57 |
| Norwegian krona   | 63.726 | 330.46 |
| Danish krone      | 51.297 | 1374.6 |
| Finnish mark      | 88.689 | 72.220 |
| Canadian dollar   | 421.19 | 421.24 |

**FOREIGN CURRENCY**

20.11.84

INTERBANK SPOT RATES:

|              |               |         |
|--------------|---------------|---------|
| US\$         | 1.2477/1.2480 | per \$  |
| DM           | 2.9502/2.9504 | per \$  |
| Swiss FR     | 3.7605/3.7775 | per \$  |
| Belgian FR   | 2.4708/2.4718 | per \$  |
| French FR    | 60.3360/35    | per \$  |
| Italian Lire | 91.8009/1890  | per \$  |
| Yen          | 243.72/243.90 | per \$  |
| US\$         | 1.0022/1.0037 | per SDR |

FORWARD RATES:

|          |               |               |
|----------|---------------|---------------|
| 1 month  | 1.2497/1.2499 | 2.9502/2.9503 |
| 3 months | 1.2512/1.2514 | 2.9503/2.9505 |
| 6 months | 1.2527/1.2529 | 2.9505/2.9507 |

Supplied by ISRAEL DISCOUNT BANK LTD.

## New York Stock Exchange

|  |             |        |
|--|-------------|--------|
| D.J. Avg.  | 1195.11     | +9.83  |
| Transport  | 519.86      | +3.86  |
| Utilities  | 143.10+0.21 |        |
| Volume   | 80,878,900  |        |
| D.J. LIST  |             |        |
| Alcoa  | 35 1/2      | -1/4   |
| Alcoa Chem.  | 34          | +1/4   |
| Alcoa Amer   | 62          | +1/4   |
| Amer Can   | 48          | -7/8   |
| Amer Exp   | n.c.        |        |
| Amer Exp   | 35 1/2      | +1     |
| Amer T & T   | 18 1/2      | +1/2   |
| Beth Steel   | 16 1/2      | n.c.   |
| Do Post  | 47          | +1/2   |
| East Kodak   | 73 1/2      | +1/2   |
| Exxon  | 43 1/2      | +1/2   |
| Gen Elect.   | 56 1/2      | +1/2   |
| Gen Food   | 55 1/2      | -1/2   |
| Gen Motors   | 75 1/2      | +1/2   |
| Goodyear   | 24 1/2      | -1/2   |
| Inst Bus   | 121         | -1     |
| Inst Harv.   | 7 1/2       | +1     |
| Inst Paper   | 50 1/2      | +1/2   |
| Merch  | 87 1/2      | +1 1/2 |
| Minnesota Mining   | 83 1/2      | +1/2   |
| Inst Nickel  | 11          | n.c.   |
| Owens  | 39 1/2      | +1/2   |
| Procter Gam.   | 58          | +1/2   |
| Chevron  | 35          | +1/2   |
| Seas   | 51 1/2      | +1     |
| Texaco   | 34 1/2      | +1/2   |
| Union Carb.  | 49 1/2      | +1/2   |
| United Tech.   | 35 1/2      | +1/2   |
| United Steel   | 24 1/2      | +1/2   |
| US Steel   | 25 1/2      | -1/2   |
| Woolworth  | 35 1/2      | 1/2    |
| GOLD & SILVER  |             |        |
| Gold Fin   |             | 342.65 |
| Ass Unt.   |             | 25 1/2 |
| Monetary   |             | 25 1/2 |
| ISRAELI SHARES IN NY   |             |        |
| Amer Is Paper  |             | 6 1/2  |
| Anglo  |             | 1 1/2  |
| Ass Unt.   |             | 3 1/2  |
| Ampl. Ind.   |             | 2 1/2  |
| Alliance   |             | 2 1/2  |
| Bus Tech   |             | 3 1/2  |
| Electronics  |             | 12 1/2 |
| Elbit  |             | 9 1/2  |
| Elron Ind.   |             | 6 1/2  |
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## Games at Nakoura

IN THE BAD old days before the Six Day War, this country's Arab neighbours were wont to claim that they were not Israel's policemen, and therefore under no obligation to prevent Palestinian terrorists from infiltrating Israel territory. Syria's ambassador to the UN, George Tomeh, was especially skilled in advancing this line of reasoning.

Since then most Arab governments have learned the hard way the conditions of coexistence - even though it is not peaceful coexistence - with the Jewish state. But the old attitude keeps surfacing every now and then.

The latest example, oddly enough, was manifested at last Sunday's meeting between the Israel and Lebanese military teams at Nakoura. The Lebanese spokesman, Lt.-Col. Bassam Sa'ad, told newsmen right after the meeting that, as far as his countrymen were concerned, they were "not the policemen of Israel. Our objective," he added, "is to seek peace and maintain security for the citizens of South Lebanon."

Perhaps the statement was meant for Syrian rather than for Israeli ears: it is to be hoped that it was.

For no serious group of Lebanese, such as the government in Beirut, can be under any illusion any longer that the citizens of South Lebanon could live in peace and security without the inhabitants of North Israel enjoying the same right. Surely it is now apparent to all that the PLO poses a threat to both countries, which have a common stake in barring the return of the Palestinian terrorists to their bases in South Lebanon.

Plainly, if the terrorists regained the positions they held before their ouster in Operation Peace for Galilee, they would ride roughshod again over the Lebanese in the border area. And the same Lebanese would also suffer grievously from whatever action the IDF might be forced to take to counter the renewal of terrorism against Israel settlements.

If the assumption is correct that the rulers of Lebanon, despite protestations that seem to indicate the contrary, have an interest in keeping South Lebanon free from the scourge of PLO terror, then the present differences at Nakoura need not be unduly worrisome. The more so since both Israel and Lebanon are eager - although Israel, it appears, rather more so than Lebanon - to see an early withdrawal by the IDF.

## Attorney-General speaks out

THE BLISTERING attack on "Kahanism" by the attorney-general, Yitzhak Zamir, in the Knesset House Committee on Monday deserves to be widely reproduced and made into an obligatory school text.

"Kahanism," said Prof. Zamir, is a shameful, loathsome and dangerous phenomenon. It is opposed to Jewish tradition and to the rules of international law. It is irreconcilable with Zionism, undermines the foundations of the State of Israel, and is more dangerous for Jews than for Arabs.

In Israel's entire history, no attorney-general ever subjected a Knesset member's philosophy to so scathing a public criticism. But the apostle of racism, Meir Kahane, fully merited the merciless flaying.

Prof. Zamir also disclosed to the House Committee two proposals for dealing with "Kahanism."

One proposal is to be tabled by his office, and it is to take the form of a basic law on political parties. It would bar any party from running in a general election that proclaims its opposition to the existence of Israel as a state or to its democratic system, or that supports racism. Meir Kahane has promptly taken umbrage at the proposal: the country's leading foe of democracy is anxious to exploit its liberal law to bring about its destruction.

The other proposal, which comes in response to an initiative by two parliamentarians, is concerned with MK Kahane's attempts to carry his message of Arab-hate into Arab settlements and places of employment. It would have the Knesset itself authorize the police, for a period of one year, to prevent Meir Kahane from entering any Arab settlement or any factory that employs mainly Arab workers, if he announces such an intention in advance.

This is a solution that makes Meir Kahane an exception to the general rule, and it might set a dangerous precedent. It would be preferable for the Knesset to simply empower the police to deny any Knesset member its protection if he or she were to make excursions that, in the opinion of the police, are liable to disturb the public peace. This alone could have a sobering effect on the Kach leader's bravado.

## PACKAGE DEAL

(Continued from Page One)  
 plement will be paid at the end of the freeze - which is unacceptable to the Histadrut.

The mood was angry at yesterday's meeting of the Trade Union Department's coordinating committee. The committee decided that if the government rejects the demand today, leaders of the 15 national unions bound by the public sector agreement would meet before the weekend to decide on immediate retaliatory steps.

The unions concerned include the teachers, social workers, engineers, academics and X-ray technicians. As a first step, the union leaders said, disruptions could hit education, medical and communications services.

Trade Union Department chairman Haim Haberfeld said after the meeting that he did not "want to contemplate what would occur" if the demand for payment was rejected. Refusal could lead to labour unrest which could mean that the package deal "will not live out its term," he said.

Kessar reportedly spoke to Prime Minister Shimon Peres yesterday and told him he would raise the matter today. Labour is keeping industrial peace during the package deal and the government must keep to the agreement, he is reported to have said.

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Jilani pointed out that even solely from a legal point of view, the demand is justified. The supplement was to have been paid with October's salary, payable on November 1, he said. The package deal went into effect on November 2. Therefore it does not effect the payment, Jilani argued.

He warned that if there is labour unrest, the unions could be expected to raise long-standing demands. Haberfeld and representatives of the private sector employers will meet tomorrow to begin their review of the private sector work agreement. The review was due to have begun last month to assess wage erosion since the agreement was signed last April.

The manufacturers have already stated their opposition to paying compensation during the freeze. The Histadrut is demanding payment, but labour federation sources have intimated they might be prepared to wait until the end of the freeze.

## MUST PAY

(Continued from Page One)  
 ing to display prices. The merchants were formally charged under the 1957 Goods and Services Law, which until the present price freeze had been only laxly enforced.

Among the Haifa violators were retailers and wholesalers of women's wear, leather goods, shoes, automobile accessories, wallpaper, office equipment and plumbing supplies, as well as optical and cosmetic shops. Judge Shiloni said: "Unscrupulous merchants must be deterred. If they get away with failing to display prices the way is open for (the more serious act of) overcharging."

He rejected violators' arguments that there has not been enough time to mark prices on merchandise since the freeze began, saying, "This requirement was not born with the price freeze, but has been on the books since 1957."

# From the frying pan into the fire

By DAVID KRIVINE

THREE WEEKS have elapsed since the package deal came into force. The record so far:

□ Wages are down, owing to the payment of a partial cost-of-living allowance, as agreed with the Histadrut;

□ Prices are stable, as agreed with the Manufacturers Association;

□ Interest rates are down by 5 per cent, but still enormously high at around 15 per cent a month (prime rate);

□ The shekel continues to drop in relation to the dollar, owing to a continuation of the "creeping-devaluation" policy, though at a lower rate than before.

Prices and wages can only be frozen if other costs are brought into line. Interest rates are normally, let us say, 1 per cent above inflation. Well, if there is no inflation, the interest rate, should, in principle, be just the 1 per cent, not 20 per cent.

Similarly with the exchange rate. If prices in Israel are stable, then the purchasing power of the shekel will not depreciate. So why devalue it?

THESE QUESTIONS are important because the package deal is one of two things: a life-saver or a powder-keg. If after the three-month freeze period (that is, from next February on) prices remain stable, the package deal will have been a success.

If, on the other hand, demand keeps rising and costs keep rising, and the manufacturers hold a lid on prices with clenched teeth for the stipulated period although the forces of the market are exercising an ever greater upward push, then the price explosion at the end of the three-month period will rock the economy - and rock the government of national unity with it.

Why then doesn't the Bank of Israel extend the freeze to interest rates and the exchange rate, so as to make sure that prices are not pushed up by rising costs? (If inflation is reduced from 25 per cent a month to zero, and the cost of loans from 25 per cent to 20 per cent, then the real cost of loans has gone up sharply.)

The bank has its reasons, and they too are rooted in the economic realities that we face. Victor Medina, head of the Bank of Israel Monetary Department, explains: "What counts is the public's expectations about inflation. Suppose we reduce the cost of capital from 20 per cent to 1 per cent a month - that would be all right if the public expected prices to remain stable."

"But they don't. They think that

inflation still exists and is merely suppressed. Therefore they will consider an interest-rate of 1 per cent a month to be abnormally low, so low as to be 'negative,' yielding a profit to the borrower and a loss to the lender. There would be a rush to take loans - only a fool would pass up the opportunity."

BUT HOW DOES the bank know that these are the public's expectations? Answers Medina: "By the state of the credit market. The price of capital must be fixed at a level which keeps the volume of borrowing steady."

That is why the interest rate was lowered by only a modest 5.5 per cent. To lower it further, supposedly with the purpose of reducing inflation, would have the contrary effect. Demand would be stimulated and inflation stoked up.

The same argument justifies the bank's practice of tinkering daily with the exchange rate. "If we don't devalue at all," says Medina, "the public will think we are deliberately overpricing the shekel."

There is a precedent for this. When former finance minister Yoram Aridor tried three years ago to freeze inflation at 5 per cent a month, he held back on devaluations. He did that with the best of intentions, in order not to force domestic prices up (since expensive imported raw materials would make Israel's end-products expensive.)

What was the result of Aridor's well-meaning blunder? People bought dollars in anticipation of a corrective devaluation - which they thought was sure to come in the future.

Sure enough, their reaction caused that expectation to be fulfilled. The run on the dollar made a devaluation inevitable in the course of time, thus vindicating the sceptics who had bought dollars speculatively, and making asses of the trusting individuals who had believed that the authorities would hold inflation in check.

The men at the Bank of Israel are determined not to fall into that trap a second time. They are against cheapening the dollar; they insist on keeping it up to its true value day by day in order to prevent speculation.

IT ALL SOUNDS absolutely crazy. We are jumping from the frying-pan into the fire. In order to stop inflation on the demand side, the Bank of Israel is creating inflation on the costs side.

Devaluing the shekel increases

the cost of imports, making it increasingly difficult for local manufacturers to keep their prices unchanged. The high cost of capital - higher (in real terms) than before, since prices have dropped - has the same effect. The government is undermining its own package deal. Is there no way out of the impasse?

Dollarization, perhaps, but that does not make sense either. The answer to the dollar shortage is not to make dollars available freely to all comers. Things would be different if the population could jettison the habit of grabbing dollars. Regrettably, such an attitude of polite restraint is not on the cards - unless there is inflation and no dollar shortage; that is, unless Israel's state budget - and its foreign trade - is balanced.

If these conditions existed, there would be no need for dollarization. The shekel would be as hard a currency as the dollar itself.

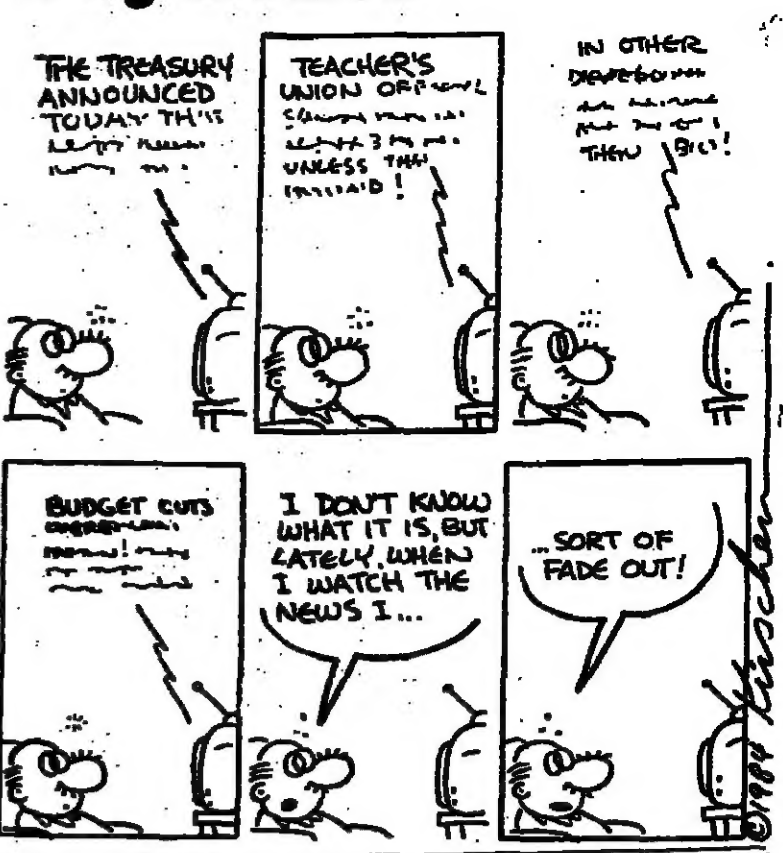
Another alternative is to adopt a different package deal formula, the one recommended by Moshe Sanbar, former governor of the Bank of Israel, which the authorities rejected. Sanbar proposed freezing prices for a short period of six weeks so as to shock the economy out of its inflationary hysteria. Then prices would be allowed to rise in a controlled manner, parallel to the rise in the cost of imports.

The merit of Sanbar's plan is that although inflation would not be abolished in one fell swoop, the higher price level authorized would at least be a real one, not an artificial one. Instead of pretending that inflation does not exist and letting pressures build up, Sanbar would give those pressures their head. The government would be granted a longer breathing spell. It would have more time to achieve the real target: removing the root cause of inflation.

THIS IS the point. Inflation is like a deluge in a house. It is certainly necessary to mop up the water. Without a mopping-up operation, the rooms would remain flooded. But mopping up alone does not - and cannot - solve the problem. The problem is the burst water-main, which must be mended. If it is not, the tenants can go on mopping up hour after hour, day after day - they will never actually stop the deluge.

The burst water-main is the budget deficit. The government's overspending this year (its "printed" money) equals 15 per cent of the gross national product. Officials in the central bank point out

## Dry Bones



that unless that flow is reduced sharply, none of the other remedies will work. Wages can be frozen, prices can be frozen, interest rates can be frozen, the exchange rate can be frozen, it is all possible - provided the budget is cut first, so that no pressures build up to break the freeze.

The Bank of Israel would be delighted to slice interest rates and would like nothing better than to desist from reducing the real value of the shekel, if the result was deflation.

But that would not be the result. The above measures cannot by themselves cause deflation: they can only result from deflation. They can and should be applied - to help stabilize prices - but only if the basic reason for price destabilization is removed; in other words, if the Treasury stops printing money.

IS THAT happening? Not so far. Finance Minister Yitzhak Moda'i proposes an economy measure that will throw 15,000 people out of work. Will they pack their bags and go? Resistances are building up. The civil servants union says not us, either. Histadrut head Yisrael Kessar rejects out of hand any idea of firing people from their jobs. Prime Minister Shimon Peres and Economics Minister Gad Ya'acobi seem to be saying "amen." But if no jobs are to be lost, the budget cannot be cut, except at the margin.

The government overspends and the government overemploys - these facts are two sides of the same coin. Israel has too much manpower in the public services and not enough in the

production sector, which is why the government prints money. It cannot afford to employ so many people, civilian and military. The country cannot afford to support out of its earnings so many public servants. Here is the heart and core of the Israeli disease.

What, then, are the prospects before us? The government will in all likelihood manage to reduce its expenditures, but not enough to keep prices stable. Prices will remain stable for three months because they are controlled, but they will explode after the freeze ends.

If that occurs, Sanbar will be able to tell Kessar, "I told you so." Had his plan been adopted prices would start rising three weeks from now, and there would be no explosion six weeks after that.

Kessar's refusal to let prices go up will force the ministers to undertake more draconian measures than would have otherwise been necessary. An already difficult task is made more difficult still. If the government miraculously manages to keep prices stable after February 2, it will have achieved a greater success than was thought possible in the Sanbar plan.

But that success will have been secured at a greater cost in unemployment. Instead of shedding people gradually, taking into account the possibility of absorbing labour into Israel's growing export industries, the pace of dismissals will have been stepped up in order to meet Kessar's more pressing deadlines. Is that really what the Histadrut had in mind?

The writer is a member of The Jerusalem Post editorial staff.

# Questions about terror

By JAMIL HAMAD

FEW ARABS in the West Bank and Gaza were particularly surprised at the growth of the alleged Jewish terrorist network within the settlement movement. From the initial exposures last April until the firing of a rocket at a Hebron bus precisely six months later, it was entirely predictable.

For years now, the settlers have been conducting a so-called vigilante campaign, making and applying their own brand of law in the occupied territories. They have, the victims say, led attacks into West Bank refugee camps, beaten up Arabs in the streets of Arab towns, destroyed Arab property, smashed the wind-screens of cars. So the Palestinian Arabs weren't in the least astonished at the inevitable development of outright terrorism.

Nonetheless, very little has been said about what impact the exposure of this alleged network is having, or will have on the Arab population, the target of what seems to be an irrational conspiracy, whose members include many of Israel's "best and brightest."

I, for one, have observed two distinct reactions in the West Bank. On the one hand, there is the Palestinian who feels vindicated, and rightly so: "There, you see. It's all true. This is just what we've been saying all along, and the world never believed us." On the other hand, there is the Palestinian-Israeli-watcher who points out, again quite rightly, that the arrests and the public exposure are all unprecedented in the history of Israel; that they are a healthy and positive sign that the Israeli government can and, moreover, is willing to be even-handed, and to put justice before politics.

Yet a third Palestinian Arab group is affected by these events - the youth. It is the impact on this group that disturbs me. Countless Arab youngsters, mere teenagers, have suffered brutality and humiliation in

being arrested and dragged to police or military government headquarters; some are beaten, abused and debased without even being charged. Frequently, and without any reason, teenage boys are summoned to military headquarters for "questioning," and are held all day and then released at dusk. The only result has been to radicalize them.

Now these youngsters discover that the Israeli settlers really were out to get them, to maim them, to kill them, to destroy their holy shrines. They discover there never was even a pretence of "security danger" behind the settlers' actions. They believe there never was a chance for real justice from the police or the military authorities.

A teenager cannot discriminate; he cannot distinguish between brutalities. It doesn't matter that this one now is labelled "terror"; it's all of a piece for him. These youngsters can't differentiate between the terrorism of a bunch of "crazies" and what they experience during interrogation at the hands of officials.

The upshot of this, I believe, will be that methods of Israeli interrogation and treatment of prisoners will become somewhat better publicized and accepted than they have been when the Arabs themselves describe what happens to them in Israeli jails.

One cannot but fear that already radicalized Arab youths, for years the victims both of Israeli vigilante terrorism and of Israeli police harassment, will become even more incensed. Dramatic revelation may fuel self-justification, and Jewish terror may be countered by heightened Arab terror. What we are seeing as the end result is the "war" being brought out into the open,

with even louder justification on both sides.

I CAN understand the simplistic reasoning behind the reactions of young Arabs. The Jews came to this land claiming the right - every nation's right - to save themselves and to have a secure homeland. And the Gush Emunim settlers, armed yet further with the will of God, took over disputed land and built their homes in the West Bank and the Gaza Strip. But to the Arab youth it seems quite clear that the Jews have not come to live in peace with us, nor truly to follow the will of God, but to force us out. That and that alone is the mission of the settlers. Would you be able to give a different explanation?

This phenomenon of Jewish terror should raise urgent questions among all Jews, not only those of Israel; questions about the motivation and technique of Israel's "manifest destiny." The alleged settler terrorist network is only one, albeit the largest, the best-organized, and the most professional of all the Jewish terrorist cells uncovered this year alone - the Lifta Gang, the American boys who attacked an Arab bus, the Israeli boy awaiting trial for attacking an Arab bus. But what else could one have expected?

One sees people who served in the Hagana, the Irgun, the Stern Gang, throwing up their hands and crying, "What are these children doing? But what is the difference between the terrorism that forced the British out of Palestine and the terrorism attempting to force the Palestinians out of Israel?"

I would also, somewhat wryly, point out the somewhat un-Jewish indifference to how justice is administered, or rather, not administered in Israel's jails and manifested in its penal system. Torture, physical abuse, humiliation, denial of civil rights - in the long run all this usually rebounds onto those who did not care. If you permit such treatment of those at the bottom, of the defenceless, then the day will come when it is you, or Israeli youths, who will complain of police brutality. Injustice eventually devours those who tolerated it in the first place.

THE BLAME for the monster of Jewish terrorism should not be reserved only for certain settler elements in Israel. It cannot be limited only to the fact that Gush Emunim fertilized and nurtured terrorism within its ranks. Gush Emunim itself was nurtured by Israel and by Jews throughout the world. Those who finance and support Israeli settle-

ment in the West Bank and the Golan and the Gaza Strip, and who provide *olim* for these settlements, should face the issues directly, and consider their real meaning. Did Jews come to live in, or decide to support Israel for the sake of Jewish peace and safety and for the sake of a Jewish identity, or was their purpose to wreak vengeance and destroy another people? How does one stop

this? How does one guarantee it will never happen again?

I suggest that there is only one way. Jews should see Palestinians neither as victims, nor as mad killers, nor as scum to be eradicated, Israel, and Jews throughout the world must accept Palestinians as full partners in this land. Both our peoples - the Jews and the Palestinians - have a right to live in our land, in our homeland, with dignity. Otherwise there will be no peace. And terror will beget yet more terror.

The writer is a Palestinian journalist.



## HELP THE HELPLESS

Dear Reader  
 Much has been said and written about the plight of the Ethiopian people. Last week I spent several days in the drought-stricken areas of Ethiopia and met with representatives of various charitable organizations and officials of the relief and rehabilitation commission, set up by the Ethiopian government. I have seen the suffering of young and old, caused by the drought.

In the past, I have helped victims of man's inhumanity to man in Biafra and Cambodia, and the victims of natural disasters in India, Guatemala, Nicaragua, and other parts of the world.

We are now trying to make one joint Jewish effort, supported by the Jewish communities of the diaspora, from Sydney, Australia, to Brooklyn, New York.

I know their needs, and we can make sure, as in the past, that the supplies reach their intended destination. Your contribution will be used to build a complete refugee camp, and provide what is needed now. Help us to help the helpless.

Please send your contribution to the Fund for the Children of Ethiopia, P.O.B. 4399, Tel Aviv, or make a deposit at any branch of the Israel Discount Bank, in account 988898.

Abe Natan

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